

REDUCTION OF TAXATION.

No. 1,

OF A SERIES OF LETTERS—PRICE THREEPENCE EACH—

ADDRESSED TO THE LANDOWNERS AND FARMERS; THE MANUFACTURERS AND TRADESMEN; THE MERCHANTS AND SHIP-OWNERS; AND TO ALL OTHER **TAX-PAYERS** OF THE UNITED KINGDOM—COMPRISING THE DEVELOPMENT

OF A PRACTICABLE AND EQUITABLE MEANS
OF PAYING OFF THE

NATIONAL DEBT;

THE MOST EFFECTIVE AND ONLY REMEDY FOR THE
PRESENT EVILS OF THE COUNTRY, AND TO PREVENT
THE RECURRENCE OF SIMILAR EVILS FOR THE FUTURE.

By Britannicus.

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HEAD PASSAGE, PATERNOSTER ROW; AND SOLD BY ALL OTHER BOOK-
SELLERS.

THESE LETTERS will comprise an account of the rise and progress of
THE NATIONAL DEBT;—the working of the SINKING FUND;—
the nature of the STOCKS;—and exhibit the extremely injurious effects
upon the Agricultural, Manufacturing, and Commercial Interests of the
Kingdom, which proceed from the present system of loans, creating, aug-
menting, and perpetuating an overwhelming NATIONAL DEBT.

This Debt amounts to the enormous sum of EIGHT HUNDRED
MILLIONS! The Taxation raised to pay the interest of this Debt is

THIRTY MILLIONS sterling, greatly exceeding the amount of all the other expenses of the nation for the establishment of the Sovereign and Court, the Army, Ordnance, Navy, Judges, National Police, Pensions, &c., &c.

The advantages which Great Britain has hitherto enjoyed—in manufacture and commerce—from her geological riches—the science of her Watts, Arkwrights, Brindleys, Telfords, and Davys—the skill and enterprise of her mariners, merchants, and manufacturers—are all rapidly beginning to be participated by the Nations on the Continent, who also enjoy the advantages which cheap bread gives to the labouring and manufacturing population. Therefore, much British skill and industry, which cannot find adequate reward in this country, and capital not sufficiently productive, are rapidly flowing over to the Nations on the Continent, and to America; leaving a great accumulation of infirm or unproductive population to augment the burden of the poor-rates.

The number of paupers in 1847 being 1,471,133 } an increase of
 and in 1848 1,876,541 } 405,408 ;

thus augmenting the commercial prosperity and political power of rival nations, at the expense of Great Britain; consequently, although the exports from this country are numerically increasing, the profits thereon are greatly decreasing, whilst the taxation is annually augmenting.

The corn-growing countries will no longer take our manufactures in exchange for their corn, because they can produce them cheaper among themselves. The late unfavourable harvests caused a drain of several millions of gold from this country; and, if another unfavourable harvest should occur, it must cause a ruinous stoppage of trade, and numerous bankruptcies among the great body of the Manufacturing and Mercantile population in all our cities and seaports; because, to purchase corn from foreign nations, this country must be drained of its gold, and the discount on Bills will consequently rise to 6, 7, and 10 per cent., with decreased profits upon every species of industry.

These are positive evils, the existence of which cannot be denied; and, to find out the remedy, ought to excite to deeper reflection, and arouse to more active exertion, than all the other political questions which are agitating the nation. But, why does this state of things exist? Is it not because the great and influential body of the Agricultural, Commercial, and Manufacturing population of the United Kingdom allow themselves to remain totally unacquainted with the details which have caused and continue to uphold it?

Seligman
 1850 E
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In Great Britain, **THIRTY MILLIONS** of Taxes are annually abstracted from the hard-earned profits, and from the recompense for the mental and physical toil of the labourer, the artisan, the agriculturist, the manufacturer, and merchant—tending greatly to increase the prices of our manufactures in the foreign markets; but America, the producer of the great staple article which contributes so greatly to the prosperity of the manufacturers and merchants of this country, is **ENTIRELY FREE FROM PUBLIC DEBT**; and almost every other manufacturing country can feed its population at half the expense of England.¹ How, then, is it possible, that, with such an enormous weight of taxation, the British farmer and merchant can, much longer, contend against the superior advantages enjoyed by the corn-producers, merchants, and manufacturers of the United States, and of some of the Continental Nations? (The evils which embarrass our entire population from excessive taxation must annually augment; and Great Britain must “douse her top-gallants,” if her tax-payers will not arouse from their supineness, and apply the best remedy where the real evil exists.)

The reduction of this National Debt, and the consequent Taxation, has never, and will never, be fairly and efficiently undertaken by any Administration whatever.¹ Let us look at the fact. Instead of any reduction having been effected during Thirty-four Years of uninterrupted peace with Europe, many millions have been added to the Public Debt; but this has been done so insidiously by the Stock Jobbers, that very few persons are sufficiently aware of the fact—yet it will be clearly exhibited and fully proved in the course of these letters.

It therefore remains for the productive classes of the nation, who must pay these taxes, and who feel the oppression, to propose, and strenuously and continually to urge, the reduction. But, in order to act with judgment and combined effect, it is absolutely necessary that the real state of the Kingdom, and the effect of this Debt, be clearly understood.

Ample information on this subject will be detailed in the proposed series of Letters, accompanied by a Plan, founded upon principles of **PERFECT JUSTICE** both to the Nation and the Fundholders;—injurious to no interest, but beneficial to all;—simple in its detail;—and easy of execution by the combined exertions of the Agriculturists, Merchants, and Manufacturers. By this Plan, if carried into execution, the **ANNUAL TAXATION WOULD IMMEDIATELY BE REDUCED SEVERAL MILLIONS**; and the whole of this enormous Debt, and consequent Taxation—so injurious to all our Agricultural, Commercial, and Political interests—would be gradually and entirely paid off in **FORTY Years**.¹

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REDUCTION OF TAXATION.

LETTER I.

1. Examination of the professed Causes of our periodical Commercial Embarrassments and National Distress.—2. Fallacy of the general opinion entertained on this subject.—3. Excessive Taxation produces small Profits, low wages, extensive Disease, and increase of Crime.—4. Numerous proofs from Parliamentary and other official Documents.—5. State of the National Debt, and its injurious Consequences to the Agricultural, Manufacturing, Commercial, and Shipping Interests.—6. The State of the National Debt is continually alleged by Ministers, as an Excuse for not repealing any Individual Tax.—Dr. Price, on the evil effects of the Public Debt.—7. State of the Cotton Trade.

To the Landowners and Farmers; the Manufacturers and Tradesmen; the Merchants and Shipowners; and to all other TAX-PAYERS of the United Kingdom.

GENTLEMEN,

By the evidence brought forward during numerous discussions in Parliament; by the reports from the Magistrates, Clergy, and various Manufacturing and Commercial Bodies; by the reports of the Sanitary Committee; and by numerous other official documents; I believe that it is now an acknowledged and undisputed fact, that Poverty and Misery, with their concomitants—Vice and Crime—abound in this Country to a greater extent, at present, than at any other recent period of our history.

Now, for every effect there must be some cause. To find out the true cause, and propose an efficient remedy that may be easily applied, are objects of the highest importance; not merely to our Manufacturing and Commercial Interests, but to our Political Influence among other Nations—to the Peace of the World—to the True Interests of every Religious Society, in order to induce a more Moral Condition of the Millions; and, indeed, to the very Existence of the British People, as a Free and Independent Nation. If, my fellow-countrymen, I should not succeed in convincing you that the plan I am about to propose is founded upon principles which ought fully to be carried into execution; if I but succeed in fixing gene-

ral attention to the subject, and of inducing some more talented mind to imagine, and more eloquent pen and voice to advocate, a plan which may produce the same desirable result, my object will be accomplished.

The Cause I advocate is not a mere Sectarian or Party Cause ; it is the Interest of every Member of every Grade of Society—of every Political Party—of every Religious Denomination, and every Sect ; and, without all and every one assist—I do not mean to say in my peculiar *panaceum*, but in some attempt to remedy the general evils—then is their vaunted Religion but Hypocrisy, their boasted Patriotism but as sounding brass or a tinkling cymhal.

I appeal more particularly to all Religious and Philanthropic Associations, to be up and stirring. The Agriculturists, rich and poor, are generally beginning to reduce the wages, or to discharge numerous labourers : the consequence is, that incendiary fires have already commenced ; and, without the mass of the industrious population he placed in a more comfortable situation in regard to their pecuniary affairs, your subscriptions must continue greatly to diminish—and your field of usefulness be circumscribed. It will be in vain that you labour to improve their moral and religious condition, without their physical state be such as to produce sufficient of calm content to listen to your councils. If any apparently efficient remedy be proposed, it will then be for yourselves, Gentlemen, to apply that remedy and effect the cure.

Whenever any national calamity occurs, it is considered, and rightly so, that it becomes the duty of every individual, however humble his talents may be, to present to the public his idea concerning a remedy ; thus, on various occasions, particularly of late years, numerous pamphlets have been published, and our periodical press, provincial as well as metropolitan, has teemed with theories and prescriptions. Some political economists and financiers, who regard only the proximate and secondary causes, or who argue only according to the interests of themselves individually, or of the class to which they belong ; although I grant that they may do this conscientiously in accordance with the system under which they have been educated, and the circumstances by which they are surrounded ; assert, that our successive, or periodical, commercial embarrassments were, at one period, occasioned by the American Government rashly attempting to force too suddenly and prematurely a general system of cash payments in all commercial transactions. This attempt impeded some of the wheels of the great commercial machinery in that country, produced numerous bankruptcies among those who had speculated beyond their capital, induced a want of both private and public good faith, and acted fearfully upon the interests of the manufacturers of Great Britain :—others believe that our distresses have been generally caused by the measures of our own Government concerning the British Currency : some, by the impolicy of Great Britain permitting a Free Trade in numerous productions from

foreign countries, before having induced those countries to adopt an equally liberal system of Free Intercourse for our own shipping and manufactures.' In answer to the petition of 600 merchants and manufacturers of Glasgow, the minister of the day ascribed the ruinous fall of prices, and the then comparative stagnation of trade, to previous over-production and imprudent speculation. In support of this opinion, many writers adduce the lamentable fact of the entire dissipation of no less than £700,000 by the Directors of the Manchester Joint-stock Bank, in imprudent Loans, and Gambling Commercial speculations. Many throw all the blame on the alleged selfish and impolitic conduct of the Directors of the Bank of England, playing with and governing the money market for their own peculiar interest; and numbers exclaimed that it was from the baneful operation of the Corn Laws, whence arose all our previous distress: all these circumstances tending to impede the genial flow of Commercial Transactions between this kingdom and foreign countries. But the Corn Laws are now abolished, and are we really and substantially in a more prosperous condition? I do not inquire, whether any individual Manufacture or Trade is more active, or producing more profit; but is the WHOLE COUNTRY more prosperous? Are the united body of Agriculturists, Manufacturers and Merchants, Ship-owners and Tradesmen, more prosperous? I fear not.

With all due deference to the high authorities who have severally advanced these previously mentioned circumstances as causes, I must offer my opinion, that those political economists, who, confining their data within such circumscribed limits, attempt to prescribe any effective remedy for the decline of our Manufactures, our profitable Commerce, and our political Influence with other Nations, either are themselves deceived, or wish to mislead the public: they are as much in error as would be the physician who should recommend merely a plaster or poultice to be applied to those superficial ulcers of the body which are only indications and effects of the diseased state of the general mass of the blood, and which are neither the causes nor the real seat of the disease. For let it be granted, that all these circumstances become, in their turn, causes of the evils which afflict our Commerce; still, they are themselves but the EFFECTS OF ANOTHER CAUSE, which is the prime moving principle of all. The remedy must therefore be applied to the real origin and source of the corruption. This source, although seemingly remote and indistinctly seen by some politicians, is deeply seated in our political constitution, and extends its corrupting influence throughout every member of the Empire. It is the EXCESSIVE TAXATION under which every portion of the industrious producing Classes of the Empire is suffering, in order to pay the Interest of the National Debt, forcing our Merchants and Manufacturers to demand very low prices, to diminish their own profits, and transact business in numerous Foreign Markets, on comparatively

very disadvantageous terms; consequently, to pay to the industrious artisan and operative the lowest possible rate of wages that will suffice to support human existence." In proof of this, let us consider the Statements in the Parliamentary Papers of late years, as published under the care of Mr. Porter. Taking one out of many similar statements, we read that, in the town of Paisley, the wages paid for 50,000 sbots, were

	s.	d.		s.	d.
In 1814	3	9	In 1829	1	3½
1818	2	2	1833 }	1	4
1824	2	10	to		
1827	1	2½	1839 }		

and, according to a statement with which I was furnished, some time since, by a most respectable manufacturer in Belfast, copied from his books during a series of years, I find that the wages of the Cotton weavers for a similar quantity of work, performed in 1792, was £2 3s. 9d.

	£	s.	d.		s.	d.
In 1812	1	9	0½	In 1827	7	5
1819	0	19	1¼	1831	5	8½

And, in the course of the Debates on an Address to Her Majesty, various representatives of the Manufacturing Towns in Lancashire and Yorkshire stated, that in 1814 a family of six persons could earn fifty-two shillings per week, but since 1833 only twelve shillings; a similar piece of calico which, twenty-five years ago, would fetch twenty shillings, would now be sold for five shillings and ninepence. The Parliamentary returns of Exports prove that, during the last Thirty Years, the profit of the Manufacturer and the reward of wages to the Labourer have gradually diminished. From 1798 to 1808, the exports according to the Custom House returns averaged Twenty-four Millions, and produced Forty Millions. About this time, money was greatly required to assist the Portuguese and Spaniards, and to pay our own troops in the Peninsula. An immense impulse was given to the production of our Manufactures, but at the same time a fatal blow to the future profits, by Government purchasing large cargoes and exporting to Lisbon. These were sold by public auction for prompt payment in Gold and Silver; at first, at fair prices, but as the Imports increased—at ONE HALF—at ONE QUARTER of the COST PRICE. This encouraged the Portuguese Merchants to export to South America, where they forced sales, induced not only the European Inhabitants, but the natives of those countries to wear British Manufactures, from the extremely low prices at which they were offered, and certainly created a subsequent demand, but, from the glut in the market, at greatly deteriorated prices. From that period, therefore, we find that the exports regularly increased, but the profits decreased. It is sufficient to give the returns for every five years.

BRITISH MANUFACTURES EXPORTED.

Years.	Official Value.	Declared Product.	Value they should have produced.	Annual Depreciation.
	£	£	£	£
1810	34,940,550	49,975,634	58,875,740	8,900,106
1815	41,712,002	49,652,245	70,285,814	20,632,569
1820	37,818,036	35,568,670	63,724,380	28,155,710
1825	46,468,282	38,083,773	77,343,345	39,259,572
1830	61,140,865	38,251,503	101,763,002	63,511,499
1835	78,376,732	47,372,271	130,450,426	83,078,155
1840	102,705,372	51,406,430	170,943,074	109,536,644

Since which period I have not been able to procure similar estimates, but the official returns give the following :—

Years.	Official Value.	Declared Product.
	£	£
1842	102,180,517	51,634,623
1843	100,260,101	47,381,023
1844	117,877,278	52,278,449
1845	131,564,503	58,584,232
1846	134,599,116	60,111,081

We shall next see, from the same official documents, that regularly as the wages of the operative have been reduced, so has crime been augmented by fearful increase throughout the land.

From 1798 the wages for weaving twelve yards of Cambric averaged fifteen shillings; after which they regularly declined, and consequently crime increased. For when a man cannot satisfy the hunger of himself and family by honest labour, he will endeavour to effect it by other means.

Years.	Wages for Weaving 12 yards of Cambric.	Committals for Crime.
	s. d.	
1810	10 0	5,146
1815	6 6	7,898
1820	4 6	13,710
1825	3 6	14,437
1830	1 9	18,107
1835	1 7½	20,740
1840		27,187
1842		31,309
1846		25,107

The great increase of crime in the year 1842 principally occurred in the Northern Counties, probably influenced by the "*strikes*" in the Coal Districts. In the Manufacturing Districts the increase or decrease appears to be always regulated by the briskness or dulness of Trade. The official tables and observations on this head, prepared for the Home Office and copied into the Companion to the British Almanack every year, will be found full of Interest. Thus we find that regularly as wages decreased, so crimes increased; and they would undoubtedly have still further increased, but from the admirable and most praiseworthy active benevolence of many enlightened persons in the spread of education for the poor, and of numerous Charitable Institutions.

In further proof that good wages and prosperous manufactures cause a great decrease of Crime, and that low wages tend to increase it, the following statement in the Nottingham Papers is worthy of deep attention. 1841, Oct. 29th. "Never has the hosiery trade been so dull since the American War, at the close of which, until the commencement of the French Revolution, workmen were in such request that the Master Manufacturers generally gave a premium of one Guinea for a Man to engage; so prosperous was trade in 1786, that there was not a single person in either the Gaol or House of Correction, so that the Gaol Yard was employed for a Fives-alley Court and other diversions, which practice continued nearly Twenty Years; but such at present is the depreciation that our stocking-frames are shipping off for Saxony and France; our Poor House, Gaol, and Infirmary are crowded, and thousands of industrious Mechanics are in a most destitute state: whilst in Beauvais, and in the neighbouring villages about thirty miles from Paris, stocking-frames are springing up in great numbers, so as to have lowered the price of cotton hosiery at Paris full twenty per cent."

At the former period, above-mentioned, we had little more than Two HUNDRED MILLIONS OF DEBT; we have now no less than EIGHT HUNDRED MILLIONS! and FOUR TIMES THE AMOUNT OF TAXATION levied upon our Industry to pay the Interest. The real cause of our present National Distress must surely be sufficiently apparent.

Before proposing the remedy, therefore, it is requisite to induce the attention, not only of the Merchants and Manufacturers, but of every land-owner, agriculturist, and tax-payer in the empire, to the Financial State of the Nation. After THIRTY-FOUR years of almost uninterrupted peace with the Continental Powers, with almost every coast and harbour in the world open to your ships, and during the most active development of high intellectual and mechanical talent, applied to promote the general prosperity that we have either yet seen, or ever again are likely to witness; what, let us inquire, have been the result and fruit, in a national point of view, of all your exertions and all your talents? Your public financial affairs have been so mismanaged that you are still labouring under an

Annual Taxation of nearly SIXTY MILLIONS sterling, and a Debt exceeding EIGHT HUNDRED MILLIONS !

Hundreds of our hitherto most wealthy merchants, bankers, manufacturers, farmers, and tradesmen, in various parts of the kingdom, are reduced to a state of insolvency; and many hundred thousands of our most industrious labourers, artizans, and other operatives, are, from want of employment, subjected to the greatest destitution, almost starvation. The successive accounts from Spitalfields, Manchester, Stockport, Glasgow, Paisley, Leicester, Nottingham, Coventry, Birmingham, Sheffield, Worcester, Yeovil, and numerous other towns, as well as agricultural districts, have sometimes been, during several months, most appalling to every sensible mind; and although these towns may occasionally vary their details, from temporary circumstances, still, periodically, they present nearly similar details.

At a public meeting at Kettering, the Rev. J. Jenkinson stated that the number on the poor-rates in 1836 was 4725, which increased in 1841 to 7299; that the dispensary report gave in 1836 only 1911 patients, but in 1840 it amounted to 3072.

The deaths in Preston Union in 1838 were 1269; but, in 1841, amounted to 1739. This circumstance attracted the attention of the Registrar-General, who wrote to the Clerk of the Union to inquire the probable cause, and received for answer that the cause in a great measure was insufficiency of food from decreasing wages.

In Glasgow, the mortality, in 1822, was only 1 in 44; but, in consequence of the decline of trade, in 1837 it rose to 1 in 24½. In numerous other towns the mortality has increased from the same causes.

At a public meeting at Salford, some time since, Holland Hoole, Esq., said:—"Trade at present is in a state of depression, more severe and lasting than any ever previously remembered by the oldest inhabitant; he had some reason to know, since he had been in the habit of paying £20,000 per annum in wages, this distress has been gradually increasing during the last three years, by which the labouring classes are placed in a most destitute condition, and the capital hitherto employed in business has most ruinously diminished; that there are 2030 dwelling-houses, 74 cotton mills, factories, and workshops, wholly unoccupied, which would yield a rental of £25,852, whilst vast numbers of respectable and industrious individuals, who were tenants and work-people, are deprived of comfortable residences and the means of labour and support—thus engendering disease and demoralization, and threatening to involve the whole community in general ruin."

The total amount levied for the Relief of the Poor was,

In 1832	£8,622,920	In 1843	£7,085,595
1836	6,354,538	1846	6,800,623

and the numbers of paupers in England was, in 1847, 1,471,133; in 1848, 1,876,541: the number of the latter year exceeding the former by 415,418. "People do not sufficiently reflect upon the magnitude of numbers; but it may bring the matter a little more clearly to the understanding if they consider that the pauperism of England, to say nothing of the still more dreadful state of Ireland, would people several of our largest towns and cities; that, in fact, it would fill Manchester and Salford, Liverpool, Birmingham, Sheffield, Leeds, Edinburgh, and Glasgow, or the entire of London and its suburbs."

"If these cities and towns were entirely occupied by persons living idly and unproductive upon the industry and resources of the rest of the country, the evil would be considered too gross to be tolerated. The universal outcry against such plague spots of beggary would shame us in the eyes of the world, and in our own. Yet the evil is not the less existing because it is diffused over the towns, hamlets, and villages; its magnitude is none the less. It is high time that something should be done to prevent its further growth, and to secure its ultimate diminution, if not extinction."

These official returns prove that the decline of trade, and consequent increase of misery, are not confined to one or two places; but have been gradually extending over the whole kingdom: and thousands have lingered and are still lingering in daily increasing misery, until typhus or some other disease, brought on by their wretched state, may release them from their woes! The remaining operatives may then procure more regular, although still very inadequately recompensed, employ; because the labour market may be thinned by emigration, or by the premature deaths of many thousands, whose diseases, classed under various heads, might truly all have been registered under the general head of Starvation.

Yet, notwithstanding the severity and extent of this calamity, and that the kingdom is convulsed by the consideration of various secondary causes, the manufacturing interests petitioning against the agricultural, and *vice versa*, it does not appear that the public view has yet been directed to the real source and cause. That noxious source is the Taxation of £60,000,000 for the annual expenses of the Government, in addition to many millions for Poor-rates, County-rates, &c., and all this greatly caused by the profound and gloomy abyss of the Public Debt, which frequently has been, and until it be completely cleared out, must continue to be the great inducing cause of our periodically returning National Distresses! But enormous as is the amount of this Debt, oppressive as are the Taxes which must necessarily be raised to pay the interest thereof, greatly as it must operate in impeding a more profitable intercourse with foreign nations; still the ignorance concerning its real amount and bearing, and the apathy that exists among almost all classes of the

community concerning its baneful influence, are most extraordinary. Yet the evil that it produces, not only in its immediate operations, but in numerous distant ramifications of our commercial and political intercourse with other nations, is so overwhelming, so wide-spread, and so augmenting, yearly and daily, that there is no subject of equal political importance which, at the present moment, ought to occupy the attention of the public and of our two Houses of Legislature.

One of the evil consequences of the ignorance and inattention of the public concerning the National Debt, is, that they frequently allow themselves to be cajoled and misled upon a wrong scent, or after comparatively worthless game, by various interested parties, or by men seeking a little evanescent popularity. Sir Robert Peel, on addressing his constituents some time since, stated that "no less than 170 propositions for altering the Constitution of the Realm had been brought forward during the preceding Parliament;" and, therefore, we may observe that party squabbles, and discussions upon trifling matters of theory, occupy that time and attention of the Legislature, which ought to be devoted to more substantial and generally extended interests.

Numerous as have been the petitions presented to the House of Commons during late years, for the abolition of various taxes or monopolies which press heavily upon the commercial and manufacturing classes; numerous as were the notices given, and motions made by different talented members for the removal of some of those political grievances which oppress certain individuals, mercantile bodies, or religious sects, still, however desirable and profitable to individuals, or to the empire at large, may be the removal of those fiscal burthens and political grievances that have been brought forward during the late parliament, or are proposed as prominent subjects for future discussion, all those are truly but very minor evils when compared with the overwhelming mass of evil engendered by the National Debt; to pay the bare interest, charge of collection, and management of which debt the nation is oppressed with a burthen of more than THIRTY MILLIONS of Taxation—including the interest and charge of collection—a Taxation far exceeding that required for all the other expenses of the State, and nearly DOUBLE THE ENTIRE RENTAL OF ALL THE AGRICULTURAL LAND IN THE KINGDOM. The annual value of landed property assessed to the poor-rates for England and Wales, in 1841, was total £32,655,137. From this amount it is estimated by Mr. McCulloch, that £17,000,000 must be deducted as the interest on account of buildings, fences, drains, roads, and other capital laid out in the improvement of the soil; therefore there can only be £15,000,000 for that year as NEAT RENT for all the corn-bearing land in the Kingdom.

This subject will again be referred to, more in detail; but I may here inquire of those gentlemen—who contend that we should enjoy perfectly

FREE TRADE; that numerous oppressive taxes on windows, soap, &c., should be abolished; and that all Taxation should be paid by the Landed Interest;—what plan they are prepared to propose to prove how a Taxation of **SIXTY-FIVE MILLIONS** is to be paid from a rental of only **FIFTEEN MILLIONS**? For we find that the Government expenditure for the same year, 1841, was no less than . . . £54,771,430

And that the Taxation, for poor-rates, highways,
county, and other local taxes, was . . . 11,187,027

Total . . . £65,958,457

Total of **REAL PROPERTY**, including land, houses, mines, &c., &c., was £62,540,036; and the amount of poor-rates alone levied on the above was £6,351,828.

I am afraid that many of our orators at public meetings harangue without having troubled themselves to ascertain the real facts. I will, however, endeavour to give these facts, as correctly as I can obtain them, for all parties to judge impartially. The Taxation for the National Debt alone is considered equivalent to thirty per cent. directly or indirectly upon every species of expenditure, whether the income arise from land or houses; a tax upon every natural and artificial production; upon all the intellectual and physical labour of the Industrious Classes; and upon all they eat, and drink, and wear, in order to pay the Interest of the Debt, a great proportion of which has hitherto been expended by absentees in a foreign land to the detriment of this Country.

On considering the erroneous principles on which the funding system has been established, the numerous evils engendered by it, and the apathy which generally prevails concerning the real source of these evils, it would appear that only a few individuals of the nation, and these merely the money speculators—the Bulls and Bears of the London Stock Exchange—had ever learned that most valuable of all knowledge in a commercial point of view, the first four rules of Arithmetic! Yet, if the public attention can once be attracted to the subject, it must soon be generally seen and acknowledged, that all those other subjects which are exciting so much clamour and such strenuous exertions among some of our reformers—convening public meetings, and signing petition after petition—are all upon minor subjects of public interest, when compared with the great parent of all these evils, **THE FUNDING SYSTEM**; in the reform of which, every real conservative, every true reformer, every friend of his country ought to feel an all-absorbing interest, and exert his most active energies!

If the entire revenue of the Kingdom were raised by **DIRECT** Taxation upon property and income, by the Tax Collector entering each house and stating, “Sir, (or Madam), your income is returned at £300 per Annum,

the individual Tax upon which, to pay the interest of the National Debt, is £30 per cent., you have therefore to pay me the amount of £90 for that Tax;" then every one would know precisely what he annually contributed; but the great encouragement to extravagant expenditure, and the great evil of our Taxation is, that no person can know precisely what amount he is obliged to pay. The price of an article, which costs only one shilling, may be affected through a dozen minute channels of Taxation and consequent augmentation, which cannot be precisely estimated upon the single article, but each tending to increase the cost to the consumer.¹

In order to understand how indirect Taxation affects individuals, it is sufficient to take one example, from No. 3 of the Liverpool "Financial Reform Tracts." The average cost of tea may be stated at present to be about 1s. per pound. Under the present Tax, this article cannot go from the importer to the general consumer under four shillings per pound, thus:—

	s.	d.
Cost of Tea, per pound	1	0
Add Profit of £25 per Cent.	0	3
Duty on ditto.	2	2½
Profit on ditto £25 per cent.	0	6½
	<hr/>	
Total, to consumers,	4	0
	<hr/>	

And the general effect may be partly judged of, by considering that the DIRECT Taxation arising from all the Assessed Taxes on Land, Houses, Servants, Horses, Carriages, Windows, &c., did not amount to FOUR MILLIONS, previously to the imposition of the Property and Income Tax; whilst the INDIRECT Taxation amounts to more than FIFTY MILLIONS, but which being comprised in the price of the articles that we purchase we are not aware of the amount. The total taxation for the year 1847, was FIFTY-EIGHT MILLION FOUR HUNDRED AND THIRTY-EIGHT THOUSAND POUNDS, of which the Assessed and Land Tax was £4,475,000, and the property and Income Tax 5,544,000, received from China 668,000, leaving £47,751,000 to be levied upon all we eat, and drink, and wear. But the outcry, the commotion, and the petitioning are principally against the Taxation of the four or five millions, or of a few other thousands, the payment of which first falls immediately upon the Manufacturers or Importers, whilst the burden of the remaining fifty millions is almost entirely neglected. Again, the total amount of annuities and pensions for civil, naval, military, and judicial services; against which so much outcry has been made, both in and out of Parliament, amounted in 1838, only to £609,544; and in 1849, to £529,804; yet the £30,000,000 Taxation for the National Debt is scarcely ever mentioned.

Surely then the time spent in the various public meetings and petitionings, for the removal of any individual or partial Tax, is perfectly vain

and idle, and must be as unproductive of any beneficial result, as it would be in a General to waste the strength of his cavalry and the thunder of his artillery in cutting off merely a few skirmishers, instead of dashing forward at once, and charging home upon the massed battalions, and into the heart of the enemy's camp; or of the farmer who should pass his time in guarding his fields against the birds and the smaller vermin, which devour only a few grains, whilst he leaves his fences in so dilapidated a state, that whole herds of the larger cattle rush in, and devour or trample down the hopes of the harvest.

A very able writer on finance, the late Dr. Price, whose name must be well known to Commercial Men, observes, "The evils and dangers attending an exorbitant Public Debt in this country are so great, that they cannot be exaggerated: it increases the dependence on the Minister of the day; renders us tributary to foreigners; raises the price of provisions; deteriorates our population; and embarrasses our trade and manufactures. Among the most prominent evils that it engenders, are—

"1st. The execrable practices of Change Alley: these cannot be mentioned in language too strong, they are increasing every day; and the National Debt, by giving occasion to them, is likely soon to ruin all honest Industry among us, and turn us into a Nation of Gamblers." This spirit of Gambling, not only among those Gentlemen who make it a regular trade, but among numerous classes of Merchants and Tradesmen, and even Persons of Rank, is frequently productive of most disastrous consequences.

"2ndly. It must check the exertions of the spirit of liberty in the Kingdom. The tendency of every Government is to despotism, and in this it must end, if the people are not constantly jealous and watchful; opposition therefore to the will of the Minister is often necessary, but this may throw things into confusion, and occasion the ruin of the public funds the apprehension of this must influence all those who have their interest connected with the funds, and incline them always to acquiescence and servility to the powers that be.

"But, further, it exposes us to particular dangers from foreign enemies, by inviting insults, and rendering us incapable of meeting war, however necessary, without the hazard of bringing on terrible convulsions, by overwhelming Public Credit.

"All these are evils which must increase with every augmentation of the National Debt; and there is a point at which, when they arrive, the consequences must be fatal. **IT IS NOT THE INTEREST OF ANY MINISTER TO PAY OFF THE NATIONAL DEBT, ON ACCOUNT OF THE DEPENDENCY AND INFLUENCE CREATED BY IT;** therefore such an act is never likely to originate with any Minister: this is a policy which it may be expected that men in power will always use when they can; for few of them, except when very closely watched, have ever shown themselves superior

to the Temptation of Power, or virtuous enough to avoid all possible means to extend it."

Thus, whenever any application is made to the Chancellor of the Exchequer for any diminution of Taxation, upon any object whatever, however advantageous it may be to the general interests and in accordance with the wishes of the Nation, the same cuckoo note is, and will continue to be responded, "Retrenchment has been carried as far as possible in every department of the Public Service; and the State of the Public Debt, and the Interest to be paid upon it, totally prevent the prayer of your petition from being granted."

Has not this been the substance of the answers to your numerous petitions during the last Thirty Years? When Mr. Ewart brought forward a motion for the reduction of the Duty on Tobacco, he stated that his principal object was to diminish that general demoralization which arose from the prevalence of smuggling—the duty was Three Shillings on the pound weight, being TWELVE HUNDRED PER CENT. on the prime cost—the temptation for smuggling was thus almost incurable; and to show that such was the case, it was enough to state, that though the Duty was three shillings, Tobacco was sold as low as two and eightpence, and even at two shillings; that such was the prevalence of smuggling, that it has been computed that no fewer than 200,000 persons were concerned in that trade. To meet the evil, the nation was put to the enormous expense of £800,000 for the Coast Guard. In many cases the honest trader has been obliged to give up the trade altogether. To this the Chancellor of the Exchequer replied,—he could not suppose that the Hon. Member for Liverpool was serious; for, unless he could see that the Reduction of the Duty could create an increase of Consumption and of Revenue, he could not entertain the specific proposition then made.

MARINE INSURANCES. Mr. Robinson presented petitions from the Merchants of London, Liverpool, and some other ports, for a gradual diminution of the Stamp Duties on Marine Insurances, which they proved to be very injurious to the Shipping Interests: the Chancellor of the Exchequer believed that the statement was CORRECT, that the high rate of Duty had driven much Business to the Continent; but the expenses of the Nation did not permit of any such reduction from the Revenue. Messrs. Gillon, Hawes, and other Hon. Members, were equally unfortunate in their applications for the removal of the Taxes on Soap, Olive Oil, and various other articles: although for the Repeal of the Duty on Cotton there were 37 petitions; for Soap, 91; Tobacco, 23; they all received the same reply;—were quietly put under the table, and proved mere waste of time and money to the petitioners!!

Now, although one of the leading members of the Reform Administration, Sir Henry Parnell (Lord Congleton), some years since, published a book, containing his sentiments, *when out of power*, in which he strongly

objected to Taxes on Industry ; yet what was the answer returned by the Government of which he then formed a part, as reported by Mr. Wood, at a meeting convened at Manchester, some time since, in order to petition for a repeal of the Duty on Cotton Wool ? “ that the sum this Tax produced could not be spared from the Revenue ; and what relief could be wanted by a set of men who had reached a state of prosperity, such as no other part of this extensive and prosperous nation could equal ? ” Possibly, if those gentlemen, when removed from their splendid mansions in Downing Street, which have been built up by the *Revenue arising from the extra toil of the Manufacturers*, have leisure to visit the humble dwellings, the Garrets, Caves, and Cellars, and contemplate the scanty and unwholesome fare to which so many thousands of the industrious operatives of Manchester, Paisley, and Glasgow, are reduced ; or of the condition of millions of our other Manufacturers, Artificers, and Peasantry, who purchase the Cotton Manufactures for their families, and who are consequently the persons oppressed by the Taxation—or to be benefited by the Reduction ; these gentlemen would surely, then, entertain very different ideas concerning the **SUPERABUNDANT LUXURY** of the Manufacturing Classes.

Not only as it regards the Cotton Trade, hut as it applies to the whole of the Manufactures and Commerce of the Country, the information communicated at the Manchester Meeting is of high importance to the whole kingdom. G. W. Wood, Esq., formerly M.P. for Lancashire, and President of the Manchester Chamber of Commerce, said : “ That the Cotton Trade, which gave employment to so large a population, was menaced, not from any country under the dominion of Great Britain, but from other countries which afforded equal access to the raw material, and which were making rapid strides in following our course. The Cotton Manufactures had been, it must be confessed, prosperous beyond that of foreign competition ; but, as foreigners were following and extending wherever we had preceded, we had much to fear.” Mr. Graham, on the authority of different commercial men, whose names he gave, informed the Meeting, “ that the Cotton Manufactures of the United States had found their way to Malta, Smyrna, Constantinople, Bahia, Pernambuco, Para, Maranhão, St. Domingo, Honduras, Havannah, Mexico, Tambico, Carthagena, Buenos Ayres, Valparaiso, Lima, Cape of Good Hope, Bombay, Calcutta, Batavia, Singapore, Canton, and Manilla.” He gave this long catalogue of names to prove the extent of the evil, and that it was not confined to the markets of foreign States, where every nation has a fair field of competition ; but that it affected those markets that had been the most profitable in our own colonies, and where the British Trade was protected by the greater duties imposed on foreign merchandise ; in short, to every place to which the Merchants of Great Britain traded. This competition, he repeated, only applied at present to the coarse

fabrics ; but they must of necessity be first, and it would follow that finer and more expensive fabrics would subsequently be sent to the same destinations. It had been urged, against the repeal of the Tax, that the whole was but a trifle, not more than Six per cent., and not amounting in the whole to more than Six Hundred Thousand Pounds. This, in his opinion, was a strong argument in favour of the repeal of the Tax ; for if the amount was so small, and since, in the preceding year, the Chancellor of the Exchequer had declared there was a considerable surplus of Revenue, this amount might the more easily be spared : but what was the answer when the relief was prayed for ? “The sum this Tax produced could not be spared from the Revenue.” At the same Meeting, Mr. Fletcher declared that such was the injurious effect of the Tax that, if continued, the plains of the Continent would hereafter teem with Cotton Mills.

This prediction has since unfortunately been rapidly verifying. Not only are the Continental Nations and the United States emulating, and even surpassing, us in our most profitable Cotton Manufactures, but Holland and Belgium are not only manufacturing their own Machinery, but have become exporters to a considerable amount ; because many of our most talented and experienced artizans were starving in their native country, and have carried over their talent and their industry to the Continent—many of them with bitter feelings against that Government which has forced them to expatriate themselves.

In the letters of recent travellers, concerning the Continent of Europe and the United States of America, we read that rival manufactories are springing up like magic, and the Merchants and Manufacturers are enabled to offer their goods in foreign markets at FULL TEN PER CENT. LOWER than the English prices.—If such be the effect of this Tax of £600,000 upon one article, what must be the effect of the THIRTY MILLIONS Taxation upon the general Manufactures of the Kingdom ?

The city of Lowell, New England, twenty years ago contained only forty or fifty houses, but at present it comprises a population of 20,000 inhabitants, thirty-two Woollen and Cotton factories, which, in 1840, fabricated 65,802,400 yards of Cotton and Woollen cloth ; the operatives were well paid, and the masters realized good profits. The competition in hardware and other goods was going on with equal rapidity ; and the moral and intellectual standard of the people will bear comparison with any in the world.

It may, however, be remarked by some of you, Gentlemen, that notwithstanding all the rivalry and activity of the people of the United States and of the continent of Europe, the general amount of our foreign trade has considerably increased within the last half century ; that this is proved by various parliamentary documents : but at what price has this been accomplished ? It has been almost as ruinous as the *splendid* trade

of some of the great Linen Drapers of the Metropolis, who, to acquire a name, and do a great stroke of business, bought goods at twenty shillings which they subsequently sold at fifteen or sixteen shillings; this soon ended in bankruptcy, with the loss of many thousand pounds to their creditors. Thus we find, in a petition presented to Parliament by the master spinners and manufacturers of cotton, and which it was understood was principally drawn up by one of the largest proprietors of Mill property in the kingdom, J. FIELDEN, Esq., M.P. for Oldham, "That, in 1815, the consumption of Cotton in the United Kingdom was only 6500 hags of cotton per week,

In 1820 . . . 9,000	In 1837 . . . 20,000
1825 . . . 11,500	1838 . . . 23,000
1830 . . . 16,000	1839 . . . 21,000
1835 . . . 18,500	1840 . . . 24,000

and the average weight in each hag had gone on increasing yearly from 250 pounds in 1815, to 354 pounds in 1840. Now it is a remarkable fact, that the manufacturers and their work-people collectively received a MUCH LESS AMOUNT IN MONEY for working up 9000 hags in 1820, a less amount still for 16,000 hags in 1830, and only a small amount more in 1840 for working up 24,000 hags per week, than they received in 1815 for working only 6500 hags; and this, notwithstanding the number of operatives employed in 1840, was about treble the number employed in 1815; and, taking the quarter of wheat as the standard of payment, the manufacturers find that they have now to give nine and one-third pieces of cloth for one quarter of wheat, whereas two pieces and one-third of the same cloth would purchase one quarter of wheat in 1815—thus proving that its value is now £75 per cent. less than it was in 1815.

Although the Corn Laws are now repealed, and the price of wheat greatly reduced, still the hurden is equally onerous to the nation; for the weight is only shifted, for the moment, from one class to another.

(To be continued Weekly.)

REDUCTION OF TAXATION.

No. 2,

OF A SERIES OF LETTERS—PRICE THREEPENCE EACH—

ADDRESSED TO THE LANDOWNERS AND FARMERS; THE MANUFACTURERS AND TRADESMEN; THE MERCHANTS AND SHIP-OWNERS; AND TO ALL OTHER **TAX-PAYERS** OF THE UNITED KINGDOM——COMPRISING THE DEVELOPMENT

OF A PRACTICABLE AND EQUITABLE MEANS
OF PAYING OFF THE

NATIONAL DEBT;

THE MOST EFFECTIVE AND ONLY REMEDY FOR THE
PRESENT EVILS OF THE COUNTRY, AND TO PREVENT
THE RECURRENCE OF SIMILAR EVILS FOR THE FUTURE.

By Britannicus.

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HEAD PASSAGE, PATERNOSTER ROW; AND SOLD BY ALL OTHER BOOK-
SELLERS.

LETTER II.

8. Great Increase in the quantity of Exports, and diminution of Profits.—9. Advance of the Manufactories on the Continent of Europe and in America, in consequence of our excessive Taxation.—10. National Debt, the cause of the Decrease of our Political Power and Influence with other Nations, exposing us to continual Insults.—11. The inducing causes of so many hostile Tariffs, injurious to our Manufactures and Commercial Prosperity.—12. Commencement of Funding System in Europe.—13. Embarrassment of National Finances the general cause of outbreaks and revolutions.—14. Quarterly Review on the Effects of Taxation.—15. History of the rise, progress, nature, and present operation of the Public Debt of Great Britain.

To the Landowners and Farmers; the Manufacturers and Tradesmen; the Merchants and Shipowners; and to all other TAX-PAYERS of the United Kingdom.

GENTLEMEN,

SHERIFF ALISON, in his admirable work, *History of Europe*, Vol. V. remarks :—"It was in the boundless extent of the British finances that freedom found a never-failing stay;—in their elastic power, that independence obtained a permanent support when surrounded by the wreck of other nations—when surviving alone the fall of so many confederacies: it was in their inexhaustible resources that England found the means of resolutely maintaining the contest, and waiting calmly on her citadel amidst the waves, the return of a right spirit in the surrounding nations. Vain would have been the prowess of her seamen, vain the valour of her soldiers, if her national finances had given way under the strain; and the conquerors of Alexandria and Trafalgar must have succumbed in the contest they so heroically maintained, if they had not found in the resources of Government the means of permanently continuing it. Vain would have been the charnel-house of Spain, and the snows of Russia, if England had not been in a situation to take advantage of the crisis; if she had been unable to aliment the war in the Peninsula, when the native powers were prostrate in the dust; and the energies of awakened Europe must have been lost in fruitless efforts, if the wealth of Britain had not at last arrayed them in dense and disciplined battalions on the banks of the Rhine. How then did it happen that this inconsiderable island was enabled to expend wealth greater than had ever been amassed by the ancient mistress of the world; to maintain a contest of unexampled magnitude for twenty years; to keep at sea a fleet that conquered the united navies of Europe—and an army which carried victory into every corner of the globe; to acquire a colonial empire that encircled the earth; subdue the vast continent of Hindostan, at the same time that it was struggling in Spain with the land forces of Napoleon; and equipped all the armies of the north, for the liberation of Germany?

"The solution of this phenomenon, unexampled in the history of the world, is without doubt to be found in the persevering industry of the British people—in the extent of their manufactures, and of the commerce which they maintained in every quarter of the globe."

Now since our statesmen and public writers of all parties generally agree, that it was the wonderful development and extent of our manufactures supplying the whole world which enabled this nation to ride triumphant through the last continental war; where, it may be asked—when the erroneous financial policy of our Lords of the Treasury has forced America

and the nations of the Continent of Europe not only to supply their own wants, but enabled them to furnish our colonies, and even in many instances our HOME MARKETS, with those manufactures, which formerly were considered the staple wealth of this kingdom;—where can be found the sinews of war to pay our Army and Navy, in case we are unfortunate enough to be engaged in new wars of any extent? and both France and America will long remain smothered volcanoes, whose fires are ever threatening to burst forth, and involve Great Britain in their eruption. The boundless ambition of America will be continually agitating new subjects of discord, concerning her greatly extended, and continually extending boundaries; and, in France, however peaceful the face of affairs at present may appear, a day, an hour, in that country, upsets all previous political calculations and arrangements; and their increasing demand for ships, colonies, and commerce, will periodically excite jealousies continually threatening war. But, notwithstanding the necessity for encouraging our manufactures, again to be able to carry us through any similar struggle, the relief which was so earnestly sought for by the abolition of this tax on cotton wool, could not be granted, because the interest upon the £800,000,000 of debt must be provided for; and because the cotton manufacturers had reached a state of prosperity, such as no other part of this extensive and populous empire could equal. This tax has, however, subsequently been taken off by Sir Robert Peel, after much of the contemplated mischief had been effected. A policy something like “locking the stable door after the horse has been stolen.”

As one proof how much our statesmen continually require the assistance of the deliberate opinion of enlightened and practical men, among our merchants and manufacturers, particularly of our various chambers of commerce, the reiterated reports from various parts of the country, concerning the destitute and starving condition of more than 100,000 unemployed manufacturers and artizans, almost before the ink was dry that communicated the answer, is too lamentable a proof.

Thus, by the total inattention of our Lords of the Treasury to the only means of efficiently reducing the National Debt, they are truly starving to death the goose that has hitherto laid them the golden eggs: for it will be herein subsequently proved that, since the peace of 1815, the public Debt, instead of having been diminished, has in fact, in consequence of the erroneous system of the funds, been INCREASED TWO HUNDRED MILLIONS!

Concerning the advance of the manufactories on the Continent, and the feelings of the people, I may quote a letter from Berlin, written some time since: “At the last fair at Frankfort-on-the-Oder, the German patriots remarked with joy, that the British manufactures are more and more supplanted in our market by those of Germany; many merchants even affirm that, if the advantages of manufacturing by machine should

extend among us, as they have lately done, foreign countries will soon be unable to sustain the competition with the German manufacturers; in fact, the consumption of cotton yarn increases among us in an astonishing manner. Some years since there were only six considerable houses here which dealt in twist; we have now about twenty of them, all of which are looked upon as rich."

FRANCE.—In the report of the Minister of Commerce, he states, "that the Export and Import Trade had both been regularly increasing from 1826 to 1840 — from 1,126,000,000 to 2,068,000,000 francs;" and the *Moniteur*, Nov. 1841, states that the export of French cotton goods had increased since 1838 to 71 per cent., and of woollen goods to 61 per cent.; and what is the result in regard to the United Kingdom? During the war, almost the whole continent was supplied with British manufactures; and Napoleon, notwithstanding his Berlin and Milan decrees, and his army of douaniers, could not prevent his own Empress and the ladies of her court from wearing British muslins and calicos, nor his soldiers from shaving with British razors: but, what the power of Napoleon could not effect, in causing the downfall of Great Britain, the measures of our successive Lords of the Treasury have been rapidly accomplishing: for, gradually, since the Peace, our Taxation to pay the Interest of the National Debt has continued so excessive, and the price of food, compared with that of the continent, so extravagant, that many British capitalists have established themselves on the continent; and numerous active minds in France, Belgium, and Germany, no longer occupied in war, have applied their capitals and their talents in commerce, have visited our manufacturing towns, and encouraged numerous foremen and other skilful artisans to emigrate, and teach themselves and their native workmen the British arts. In this, the Russians have also been greatly encouraged by their Emperor and Princes, who clothed men of science in military uniforms, and decorated them with orders, and thus gained entrance for them into all our Government establishments and private manufactories, and they became acquainted with all the secrets of our arts, which were politely developed and explained by our manufacturers, not suspecting manufacturing science under the garb of a mere warrior.

To find an export for her growing manufactures, Russia has already succeeded in excluding British commerce, in a great measure, from the Black Sea, and is ardently and continually labouring in hopes of effecting the same object in the greater part of the Mediterranean, and of gradually supplying the Eastern nations with Russian manufactures—since each successive war contributes to develop new powers, to aggrandize and enrich Russia, but to impoverish Great Britain. At the fair of Novogorod, in 1840, Russia sold of home manufactures to the value of 29,922,493 rubles; and, in 1841, 34,159,685 rubles.

In the commencement, these various countries all required their

machinery from England, which was at first smuggled abroad in considerable quantities, chiefly from the port of Hull, subsequently exported by legal permission. This export regularly went on increasing from 1830, from the amount of £30,000, to 1837, when it reached no less than £600,000, at which amount it remained for some years; but, since Holland and Belgium have become manufacturers of machinery, not only for themselves, but for other countries, and are now considerable exporters; even this trade, which has been something like the Dutchmen selling gunpowder to the besieging enemy to knock down their own homes, must gradually decline. Heretofore, France also was supplied with her steam engines from England; but, at a late trial at Brest, of the steam ship *Pluton*, before the admiral and several other naval officers and engineers, it was proved that the new French engines were now made superior to those received from England; and it was remarked, that the French manufacturers are now provided with all the tools which are employed in the best workshops of Great Britain. To supply their rising manufactures, our export of twist, and other articles which required but little labour and yielded but little profit, regularly increased, from 1827, at £4,811,903, to 1838, when they amounted to £10,987,032; but our manufactured goods, which demanded more labour and yielded more profit to the workmen and to the master manufacturers, have declined for the northern countries of Europe, from 1827—£5,272,085, to 1838,—£4,616,002, and are gradually declining. And, according to the statement of some of the representatives of our manufacturing towns, much of our commerce during several years has been effected by forcing sales at prices less than the cost of manufacturing, in order that the holders of stock might disencumber themselves of it previously to closing their manufactories. And, notwithstanding the skill, industry, and almost starving wages of our Spitalfields, Paisley, Glasgow, Coventry, and Nottingham manufacturers, still we find, according to the official reports, that France exported to England, from 1827 to 1838, silk goods to the amount of £3,589,594, of which only £1,875,708 paid duty; consequently, £1,713,886 were smuggled, to the great detriment of the honest trader and the industrious tax-paying British manufacturer. This was proved by comparing the returns of the French and English Custom Houses. The *Leeds Times*, of August, 1841, states that their export of woollen cloths was, in 1826, £427,288; in 1830, £445,260; but, in 1840, only £258,942: whilst the cotton manufacturers in the United States consumed, in 1834, only 196,400 bales of cotton; but, in 1835, 236,700 ditto; and in 1839, 276,000 ditto; therefore, Gentlemen, if you do not wish to see your mills and factories all crumbling in ruin, and your vessels rotting in your magnificent docks; and in good earnest wish to remedy the ills that already afflict our commerce, and to avoid the greater evils that threaten to overwhelm the whole nation—it is requisite that not only every legislator, but

every elector and tax-payer in the kingdom, arouse from his lethargy, and exert himself vigorously and in good faith to obtain a just arrangement and comparatively speedy annihilation of the National Debt, and the Taxation of Thirty Millions consequent upon it.

In the *Quarterly Review*, Vol. 51, for 1829, we read :—"The charge of the Public Debt stood in the first year of the late war, at £9,500,000; and in the first year of peace, at £32,852,000; and amounts in the present year to £29,118,781: now, if such be the increase of debt during war, and if all attempts at reduction during peace prove, as they hitherto have, ineffectual, bankruptcy, in the end, cannot possibly be avoided. It certainly is to be feared that the burdens of endless war will at length accumulate too rapidly for the growth of our wealth; few, we imagine, contemplate our debt without a foreboding of such a crisis; few, without the associate dread of civil anarchy."

Another very serious evil produced by this enormous National Debt is, that it becomes a continual source of weakness and humiliation in our intercourse with foreign nations. It has been frequently remarked in Parliament, "that England was bound in her own recognizances of £800,000,000 to keep the peace with all the world. The Debt shows to other nations the weakness of England, and prevents her from speaking in that authoritative tone in which she should speak to the nations of the earth." And, whilst residing several years on the continent, and conversing with foreigners concerning the influence of Great Britain with the different Powers of Europe, the writer of this was repeatedly answered :—"Yes, you have been great and influential, but your power is fast waning; you can no longer send forth such grand fleets to sweep the ocean as in the days of your Howe, Nelson, and Duncan; they are retained by a chain cable of £800,000,000 of your National Debt, and more than £50,000,000 of Annual Taxation during peace; otherwise you might, and no doubt would, have prevented the multiplied evils and horrors that have afflicted Spain and Portugal, Poland and Circassia, and would have more effectually carried your favourite object—the abolition of the slave trade. Your Secretaries may amuse themselves in writing their PROTOCOLS, but they have become mere waste paper; however your Government may hark, they have no longer the power to bite, except when attacking some weak, unwarlike state." Now, we well know the moral effect of power, or even of supposed power. Would a feeble and puny man pick a quarrel with a Gully or a Belcher—the Champions of England, whose blow would annihilate him? Would a poor man commence a Chancery suit with a man who possesses several spare thousands? Would not each weaker person wish to come to an accommodation, even with some sacrifice of his rightful claim? How easily and promptly the captain of a British frigate obtained redress from the weak power of Carthage, and even from Turkey, when our countrymen were insulted, and, accord-

ing to our ideas, illegally imprisoned. Even from the King of Sardinia, when the interests of our merchants were injured, and when we found that Austria and France were not prepared to support Sardinia in the quarrel. But did we obtain any redress from France when the British flag and our Governor were grossly insulted in our own harbour of Mauritius, with the apparent intention of exciting the French population and capturing the island, in a time of profound peace between the two countries? On the contrary, on the return of the French officer, he was promoted by the Minister of Marine to a superior command. Did we receive any redress for another great insult—for a French ship of war forcibly taking out a pilot from a Government packet on the coast of Brazil? Again, when France declared a long line of the coast of South America under blockade—a blockade, considering the small fleet she sent out to enforce it, almost as ridiculous as Napoleon's blockade of all Great Britain?

BUENOS AYRES:—“M. Baradere, the French Consul at Monte Video, has addressed an official note to Mr. Hood, the British Consul-General, dated 13th March, in which he announces that it was and is the intention of France to include in the blockade of Buenos Ayres, all the coast belonging to the Argentine Republic, as well on the Rio Plata as on the ocean.” The line of coast, thus for the first time to be included in the blockade, is equal in extent to about THREE THOUSAND miles, from Cape St. Antonio, round Cape Horn, to the confines of Chili; and along all that immense range there did not exist a single French ship of war to enforce the blockade thus absurdly and insolently declared on paper. But England humbly submitted to the insult; our cruisers were ordered not to do any thing to cause a collision between the two nations, and numerous vessels, ready laden in British ports for that country, were obliged to re-land their cargoes, to the great detriment of the merchants and ship-owners, because we are bound in a recognizance of £800,000,000 to keep the peace.

These were all studied and, it may be clearly seen, were premeditated insults, to know how much England would patiently bear; for the then Minister of France, as is evident from numerous circumstances since brought to light, particularly the increase of the naval force in the West Indies at that period, was contemplating and fomenting the national spirit for a war with England, which in all probability was only prevented by Russia and Austria joining Great Britain in the settlement of the Egyptian affair. For although France would willingly have tried her strength against England single-handed, she feared that the three great powers combined would overmatch her.

What redress did our protocols procure from Russia for the capture of the “Vixen” in the Black Sea? This affair was also foolishly neglected by the great body of our merchants, as well as by our own Government;

alleging it to be an affair with merely an individual merchant, instead of what it ought to have been considered, and what it has really proved to be—the trial whether Russia could exclude the whole of the British trade from the Black Sea, except through her own custom houses; to the total prevention of a most valuable and extensive commerce which might have been opened among the Circassians, and through them to other countries of the East, desirous of receiving our various manufactures from Spitalfields and Birmingham, from Nottingham and Manchester, from Sheffield, Paisley, and Glasgow. But we have already nearly SIXTY MILLIONS of taxation, and we dared not cope with these European powers: yet, how readily we sent forth our fleets and armies to force a contraband trade of a poisonous drug with China, because we believed her an unwarlike and feeble power.

Notwithstanding all the enthusiasm which the British people have shown in the cause of regenerating Greece, and the blood and treasure we expended at Navarino in her service, Russia and France have obtained the political influence in that country which we had hoped to possess, and are enjoying commercial advantages denied to British merchants. Even your old and faithful allies, as they are frequently denominated—Spain and Portugal, for whom thousands of our bravest soldiers have died, and in whose cause you have expended so many millions of treasure—dare to cajole and insult you in your apparent decrepitude. Some time since, Lord Palmerston admitted, in answer to Lord Sandon, that by a treaty between the French and Spanish Governments, the steamers of the former were allowed the privileges and profits of the Spanish coasting trade, the same being denied to the English steamers: and, during another debate, the new tariff of Portugal was described by Lord Palmerston as unfair and detrimental to English commerce. Wine, shipped at Oporto for England, pays there a duty of twelve thousand reis; but, for all other countries, a duty of only one hundred reis.

The wealth, supremacy on the ocean, and proud bearing of Great Britain, so long the envy of other nations, have at length induced them to commence their attack where they believe she is alone vulnerable—in her commerce and manufactures; following up the conviction of Napoleon, who was always so desirous of obtaining for France—ships, colonies, and commerce; and who, on visiting a celebrated establishment in the neighbourhood of Versailles, and seeing the perfection to which the manufacturer had brought his cottons and muslins, took off his own Cross of *La Legion d'Honneur*, and decorated him with it, adding, "Sir, you are truly worthy of wearing it; since you have effected more towards impairing the wealth, and humbling the pride of England, than all my generals, and my Berlin and Milan decrees." Although the name of the manufacturer has escaped my memory, the circumstance was related to me, while inspecting his manufactory some time since. Thus we see that, at

length, after having gradually possessed themselves of our machinery, of many of our most skilful manufacturers to conduct, and artizans to repair the old and construct the new, believing themselves now possessed of all our science, they almost unanimously declared a commercial war against us. Russia, France, Belgium; the great German League, including Prussia, Bavaria, Saxony, Wirtemburgh, and several smaller states; Portugal, and the United States; have all fulminated their prohibitory tariffs, in order to encourage their rising manufactures, augment their national finances, and humble the power of England. Whether they may be completely successful, depends almost entirely upon the future measures of our own Government in regard to our National Debt. Let us examine, as briefly as possible, the bearing of these tariffs on British commerce.

THE RUSSIAN TARIFF—November, 1841—first raised the duty on worsted or woollen goods, and mixed worsted and cotton, from 3s. 6d. to 6s. 2d. per pound, English; the new tariff increased these to from 200 to 300 per cent. *ad valorem*; and printed goods are prohibited.

THE FRENCH TARIFF—June 26th, 1842—by doubling the duty on British linen, yarns and linens, is almost entirely prohibitory of what was previously our largest branch of export to France.

THE BELGIAN TARIFF, in obedience to the dictation of France, with the view of preventing the smuggling of English manufactures into France through Belgium, has raised the import duties to the same prohibitory rate.

By the **GERMAN LEAGUE TARIFF**, of September, 1842, the duty on one of the largest branches of our exports—worsted goods, figured or printed—is raised from 30 to 50 dollars per cwt.; so as to be nearly prohibitory: and the duty on hardware is increased about 50 dollars the cwt.

THE PORTUGUESE TARIFF. Previously to 1837, the duties were about 10 per cent., *ad valorem*, on the average qualities of cloth sent to that country; by the new tariff, they are raised to an *ad valorem* duty of 45 per cent.

UNITED STATES TARIFF—August, 1842—raises the duty on woollens from 29 to 40 per cent.; on worsted goods, from 20 to 30 per cent.; on cotton goods, (although nominally 30 per cent.,) it is in reality occasionally from 100 to 200 per cent.; and, on some goods, prohibitory.

How soon have past away all the so greatly vaunted advantages to our commerce and to our national prosperity, which were to have flowed from the assiduously supported struggle of twenty years! from the expenditure of £600,000,000 of taxation; from the glories of the Nile and Camperdown; of St. Vincent and Trafalgar; of Salamanca, Vittoria, and Waterloo!!!

These successive attacks against the power and prosperity of Great Britain forcibly bring to mind the fable of the old lion and the ass! Now, that we must quietly put up with the cajolery of the French in regard to

Spain, South America, and Algiers, in hopes eventually to turn the Mediterranean into a French lake, as Russia has succeeded in rendering the Black Sea her exclusive domain; that we must tamely brook the insults and prohibitions against our manufactures from the more powerful Eagles and Bears of the north are sufficiently mortifying—but that we must also suffer the kicks of the contemptible minor states—well may the British Lion exclaim:

“Fortes, indigne, tuli,
Mihi insultare; te, naturæ dedecus,
Quod ferre cogor, certe bis videor mori!”

“’Twas hard to bear the brave,” he cried;
“But to be trampled on by thee,
Is nature’s last indignity!”

But, Gentlemen, however we may be suffering under this dark cloud of debt, so as to induce foreign powers to imagine us in our decrepitude, some recent events in the East have proved that the lion’s teeth are not all decayed; and I feel assured that, if the land-owners, with the commercial and manufacturing classes, and the electors in general throughout the kingdom, will take the initiative in the great work of the National Debt Redemption, and diligently pursue the plan that I propose to detail, again may the British Lion arouse from his lair; and, if again our commerce be attacked, and our national honour insulted—again may he shake his mane, and make every foreign foe tremble at his roar.

In order to the better understanding my subsequent propositions, for the immediate reduction and speedy annihilation of this debt, upon principles of PERFECT JUSTICE, not only to the merchants, the manufacturers, and landowners, and to all the industrious classes dependent upon these three—but also of perfect and full justice to the fund-holders, it is requisite that I enter, as briefly as the subject will permit, into the history of the rise, progress, and present operation of this debt. This debt was contracted upon terms which were in accordance with the then existing ideas of the land; therefore, it ought to be honourably repaid, but with perfect justice to all parties—the lenders and the borrowers.

The system of defraying the public expenses by borrowed loans, and of pledging future taxes for payment of the interest, took its rise in Genoa and Venice. So long as the merchants of those countries advanced loans to the kings and rulers of foreign nations, so long did they go on accumulating wealth, covering the seas with their argosies, augmenting their power and influence, and sometimes holding in their hands the power of declaring whether other nations should enter upon war or remain at peace; for, notwithstanding the highest skill of generals, and the most determined bravery of soldiers, no war can be successfully carried on without the expenditure of immense sums of money.

In the fifth volume of Colonel (General) Napier's excellent *History of the Campaigns in the Peninsula* will be found some very interesting details upon this subject, in regard to the embarrassed situation of our own forces, and those of Spain and Portugal during that period, for want of this requisite aid ; and which occasionally prevented the carrying into effect the best planned measures. When other nations began to adopt this system of borrowing loans within their territories, and Genoa and Venice required also to borrow loans to carry on their wars, those once powerful states fell into rapid decay. The funding system was subsequently carried to a great extent in Holland ; and the financiers and merchants of that country now too late find out, that to this system, and to the excessive taxation which it occasions during peace, the low rate of profit in that kingdom, and the decline of her fisheries, manufactures, and commerce, are to be ascribed—the inevitable consequences of all loans, borrowed on the impolitic and usurious system of our own National Debt, are, that the people are less happy, and the State greatly enfeebled. It was the same system pursued by the French Government which caused the disastrous bankruptcies of 1715 and 1796 in that country.

The ministers of Louis XIV. boldly asserted, "that one national bankruptcy was required in every hundred years, in order to bring the State home. Acting upon which sentiment, in 1715, the National Debt of that country was arbitrarily reduced, by the Regent Duke of Orleans, from 3,111,000,000 of livres to 2,000,000,000 ; and the interest from 86,000,000 to 80,000,000 ; but no provision was made for the payment of even this reduced debt. Subsequently, under Louis XVI., from the facilities which this system of loans had previously given for a lavish expenditure, the exchequer was at length exhausted, as well as the means of procuring fresh supplies to pay the army. The impotence of the government without their aid was apparent, and they revolted—which led to the downfall and massacre of the Royal family, and of more than two millions of the most respectable inhabitants of the kingdom ; not only of the nobility and clergy, but of the tradesmen, artisans, farmers, and peasants. And, as an example of one of the dreadful consequences resulting from a national bankruptcy, according to the well-authenticated statement of M. Chateaubriand, no less than twenty thousand women, and a still greater number of children, perished miserably by the guillotine, the musket, and the sword ; or were hurned in their own houses. All those horrors were caused by an oppressive and overwhelming National Debt, and consequent Taxation. Again, in 1796, the expense of the war obliged the French Government to cancel two-thirds of the Public Debt, and only one-third was inscribed in the Great Book of the Treasury, and became the nucleus of the present French Debt. About the same time a loan was proposed to be raised for the invasion of England ; this was accompanied by a lottery, the winners of the prizes in which were promised one-fourth of the booty, and the

contributions which should be realized by the victorious army in London, Liverpool, Manchester, Glasgow, Birmingham, and elsewhere. This project was renewed by Napoleon, in 1804—a considerable sum was raised upon it; not only were the estates of our great landed proprietors all mortgaged to his generals and marebals, but the merchandize of your warehouses was engaged to the bankers and money-lenders; of all which the Government had procured, through various agents in this country—foreign spies and domestic traitors—accurate plans and estimates. Fortunately, however, the intrepidity of our naval bull-dogs, and the immediately starting into existence of 300,000 armed volunteers, to defend their homes and families, turned all their tickets into blanks. But Napoleon employed the profits of this jugglery, and never returned the amount to the individual subscribers. Subsequently, for a time, Napoleon supplied his exchequer by ransacking not only the public treasuries and magazines of the Continent, but every place of worship, private home, and poor man's cottage, from Lisbon to Moscow—all fell a prey to his devastating army. These resources being exhausted, although the French *rentes* amounted only to two millions and a half sterling, the payment was suspended.

In Holland, also, Louis Bonaparte had equally annulled two-thirds of the public debt of that country.

Now, although the Cortes of 1820 and the present Government of Spain have also been equally faithless to their creditors, I trust that none of these precedents will ever seriously be considered as proper examples for a British people to follow; but since we continually see that not only individuals and corporate bodies, but even the greatest conquerors and most wealthy nations, without they be careful to *keep their expenditure within the amount of their available resources*, have all found themselves, sooner or later, obliged to resort to the most dishonest and disgraceful actions, in order to disembarass themselves from the burden of their accumulated debts.

These examples ought to serve as beacons, warning us to port our helm in time, and direct our vessel in a safer course, in order to avoid those shoals and quicksands upon which other nations have been so lamentably wrecked; and, Gentlemen, this is a catastrophe which, sooner or later, most assuredly must afflict ourselves, and is probably much nearer than is generally suspected.

As a warning to ourselves, to avoid the possibility of witnessing similar horrors, let us consider by what circumstances those catastrophes were occasioned. The preceding hundred years of that country fully exhibit that it originated in expensive, unnecessary wars; the aggrandizement of public functionaries, contractors, and stock speculators; to the ruin of agriculture, manufacture, and commerce: producing a gradually augmenting, and at length overwhelming debt; a dearth of provisions; and

a want of sufficiently profitable employment for the labouring classes : and, if we then ponder upon our own history during the last century and our present position, we shall have too much reason to fear that, notwithstanding the wonderful display of talent among our industrious population, we are rapidly hastening towards a similar catastrophe ; for, however some circumstances are occasionally exaggerated for party purposes by the one side, and diminished by the other, every impartial person must confess that there is most undoubted evidence, from numerous authentic official documents, of a general decline of profitable trade, a fearful destitution among thousands and tens of thousands of our most ingenious and industrious citizens and workmen. Although the state of many of our manufacturing towns must be so well known from the reports in the daily journals, still I must beg leave to call attention to a few short extracts, at different epochs, not only on account of the commercial distress, but particularly to prove that commercial distress greatly augments disease and crime.

At a meeting, some time since, presided over by the Lord Mayor, it was stated that the number of individuals in Spitalfields wholly dependant on charity amounted to the number of 24,000 ; and, at Paisley, the number reported by the magistrates, at a meeting of the leading gentlemen of the county of Renfrew, was 17,000—one-fourth of the entire population of the town. These are not the willingly idle and dissolute, but persons declaring that one shilling of their own earning was sweeter than two received from the hand of charity, and willing to work for the poor remuneration of three or four shillings per week : yet it is these so greatly distressed and patiently-suffering individuals, whose hands have worked those beautiful fabrics of silks and satins, of velvets and rich shawls, in which our fairest and most wealthy ladies of the land, even Majesty herself, so delight to clothe themselves. It is their taste that has imagined the beautiful flowers and shades that adorn them, and tinted them with every variety of colour, that makes them rival all that tradition has reported, or the poetic imagination depicted, of the ancient Tyrian dyes ; and which, when tastefully arranged and displayed, add such attraction in the ball-room or at the levee, that we feel inclined to deny the assertion of the poet—

“ Beauty when unadorned, adorned the most.”

On this subject it was very feelingly and eloquently remarked, by the Rev. Mr. Harvey of Calton, at a meeting at Glasgow, September, 1841, Jas. Oswald, Esq., M.P., in the chair:—“ If the misery of which we complain were confined to the idle, the improvident, and the profligate, we should have little cause to complain—moral means would be the best correcter ; but the wretchedness which we deplore has entered the dwellings of the sober, the industrious, and the pious : they are willing

to work, but can find no employment ; they toil, but in many instances they cannot earn enough to keep their families from starving. I cannot conceive a more melancholy spectacle than to witness intelligent and industrious men pleading for work, that they may earn, by the sweat of their brow, bread for themselves and their families, and unable to obtain even this poor request ; yet this is so common in the midst of us, that it has almost ceased to impress us. The property, that was most productive, is now of least value ; machinery, that was wont to employ its busy millions and to give activity to our towns, is now nearly motionless."

MANCHESTER.—At a public meeting, September 10th, 1842, convened by the mayor, on the requisition of 918 of the most respectable firms and individuals of the town, Mr. Watson moved the first resolution:—"That the distress now experienced by all classes, from the greatest capitalists to the humblest workmen, is unparalleled in extent and intensity ; that, from the want of demand for their produce, many factories are closed, and the workpeople thereby are entirely out of employment ; that one-eighth of the houses in this manufacturing district are untenanted ; that a large proportion are paying no rent, and the population is consequently crowded together in a manner greatly destructive to health, and injurious to morality ; that the low rate of wages, and high price of food, leaving the labouring classes nothing to expend but in the provision shops, the distress has spread to the tradesmen in general who supply other articles ; there are at this time, in Manchester and in the adjoining country, thousands of industrious families in a state of extreme destitution. This state of things has continued during many months, and is progressing with a fearfully accelerated speed. It has been ascertained that, in one district of this town, more than 8000 persons are existing upon less than fifteen pence per head, per week ; and individuals are dying of absolute want." Other speakers proved that such was the destitution, that many were living in cellars, had nothing but a few shavings to lie upon, on damp floors, having sold or pawned their beds to procure food and clothing ; and these were families who had previously been noted for industry and sobriety.

Sir Thomas Potter said, "That such was the destitution, that numerous articles might be had for less than they can possibly be made, and hundreds of the workmen were desirous to go to prison, for there they would be better fed than they could be at home."

BRADFORD, September 27th, 1842.—Owing to the great distress and want of employment for operatives, the poor rates amount to FIFTEEN shillings in the pound on rack rents. The accounts from Nottingham, Kilmarnock, Stockport, and numerous other towns, varying slightly in their details, for several years have been equally distressing.

Increase during the War, to 1748	£78,293,312
Commencement of War, 1755	74,571,840
Increase during War, to 1762	146,682,844
Commencement of American War, 1776	135,943,051
Increase during War, to 1783	238,484,870
Commencement of War, 1793	239,350,148
5th January, 1817, when the English and Irish Exchequers were consolidated	796,200,191

Thus we observe that this debt has increased with a fearful and overwhelming rapidity. It has increased not by a simple arithmetical ratio; each war has not entailed merely an equal additional charge; but it has advanced with a geometrical impulse. The new loans of each succeeding contest have nearly equalled the united burthen of all which preceded. As I believe so little is understood by the general public concerning the nature of the funds, even by most of the fundholders themselves, the following detail may be interesting:—

Public Funded Debt of the United Kingdom, January 5th, 1837.

Due to South Sea Company, at 3 per cent.	£3,662,784
Old South Sea Annuities	3,497,870
New Ditto	2,460,830
Ditto for 1751	523,100
To Bank of England	11,015,100
Bank Annuities, 1726	825,262
Consolidated Annuities	357,166,317
Reduced Ditto	125,141,486
Total nt 3 per cent.	£504,292,749
Annuities, at 3½ per cent., 1818	£10,725,232
Reduced Ditto	66,273,320
New Ditto	146,229,682
New 5 per cent.	438,240
Total for Great Britain	£727,959,223

IRELAND.

Irish Consolidated Annuities	£3,004,253
Reduced Ditto	162,882
3½ Debentures and Stock	14,757,160
3½ Reduced	1,045,712
New 3½ Annuities	11,855,903
To Bank of Ireland, nt 4 per cent.	1,615,384
New 5 per cent.	6,661
To Bank, at 5 per cent.	1,015,384
Total for Ireland	33,463,339
Total, United Kingdom	761,422,562
Exchequer Bills outstanding and unprovided for	28,155,150
Total Debt	£789,577,712

(To be continued Weekly.)

REDUCTION OF TAXATION.

No. 3,

OF A SERIES OF LETTERS—PRICE THREEPENCE EACH—

ADDRESSED TO THE LANDOWNERS AND FARMERS; THE MANUFACTURERS AND TRADESMEN; THE MERCHANTS AND SHIP-OWNERS; AND TO ALL OTHER **TAX-PAYERS** OF THE UNITED KINGDOM—COMPRISING THE DEVELOPMENT

OF A PRACTICABLE AND EQUITABLE MEANS
OF PAYING OFF THE

NATIONAL DEBT;

THE MOST EFFECTIVE AND ONLY REMEDY FOR THE
PRESENT EVILS OF THE COUNTRY, AND TO PREVENT
THE RECURRENCE OF SIMILAR EVILS FOR THE FUTURE.

By Britannicus.

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HEAD PASSAGE, PATERNOSTER ROW; AND SOLD BY ALL OTHER BOOK-
SELLERS.

LETTER III.

16. Unfunded Debt.—17. History of the Sinking Fund—Plans of Mr. Pitt and Dr. Price for paying off the National Debt—The fallacy and failure of those Plans, because based on impracticable principles.—18. Opinion of Edinburgh Reviewers.—19. Review and Refutation of the principles of some other plans for paying off the Debt—Their Injustice or Inefficiency.—20. TAX LEVIED TO PAY THE INTEREST NEARLY DOUBLE THE ENTIRE RENTAL OF ALL THE CULTIVATED LAND IN THE KINGDOM.—21. Position and Claims of the Fundholders.—22. Comparative Condition of the Agriculturists, Manufacturers, and Merchants.—23. Competition of Foreign Vessels greatly increasing.

To the Landowners and Farmers; the Manufacturers and Tradesmen; the Merchants and Shipowners; and to all other TAX PAYERS of the United Kingdom.

GENTLEMEN.

IN the early part of the funding system a separate account was kept of each loan, and of the individual tax imposed for payment of the interest. This method was afterwards found inconvenient, as the produce of some of the taxes fell short of the expected sum, while that of others exceeded it, and the multiplicity of funds produced confusion. To obviate this inconvenience the different stocks were united or consolidated (whence the term **CONSOLS**), and the whole revenue charged with the payment of the interest or annuities.

UNFUNDED DEBT.—Besides the funded debt, there is a large sum due by Government under the denomination of Unfunded Debt. It arises from any National Expense for which no provision has been made, or the provision has proved inefficient, or not forthcoming at the time required. During the latter period of the late war, and for a few years after, its amount exceeded **FIFTY MILLIONS**. Of late years it has been reduced to about twenty-five millions; the form in which it chiefly exists is that of Exchequer Bills, which are issued in sums of from £100 to £1000, and occasionally larger, bearing interest at from 1*d.* to 3½*d.* per day, on each hundred pounds. After a certain time they are received in payment of taxes, or other money due to Government, and the interest then due is allowed in the payment. These are sometimes converted into funded debt, by granting capital in some of the stocks to such holders as are willing to accept it. In addition to those, navy bills, ordnance bills, victualling and transport bills, are issued from their respective offices to answer any demand on those branches of public expenditure. The interest of these unfunded or floating debts has gradually somewhat decreased since 1816, and at present varies from £500,000 to £600,000 per annum.

Some writers assert that it is a disease which has reached a state of virulence that precludes all hope of cure or alleviation. As to the liquidation of it altogether, this is an idea which scarcely any person seems to entertain. All that the most reasonable look forward to is postponement, until such a crisis in public affairs may occur as may demonstrate to all parties the expediency of coming to terms of a compromise for **MUTUAL SAFETY AND ADVANTAGE**. But the debt has been legally, though unwisely horrowed, and it is the duty, and no doubt the wish of every honest-intentioned individual in the nation to pay it in a just and honourable manner, but not with profusion, and on the excessively usurious terms to which we are at present subject.

Now, what should we expect of an honourable, conscientious tradesman ; who, in his outset in business, has been obliged to borrow a sum of money to fit up his shop and otherwise establish himself. If he possesses the requisite talent, and exhibits due industry and prudence in the conduct of his affairs, ought he not, after THIRTY-FOUR years of prosperity in business, to have paid off, if not the whole of the original debt, at all events, a considerable portion of it. If he should not do this, would he be judged any longer worthy of public confidence and encouragement ; and ought not his creditors, for their own security, to demand an inspection into the state of his accounts, and endeavour to regulate them ? Surely, then, what is just and correct to be done between individuals is equally so in conducting the affairs of joint-stock companies, corporate bodies, or the whole nation. Let us, therefore, examine whether our national stewards have transacted our financial affairs in such a manner as to conduce to the prosperity and permanent interests of the nation. No less than £556,000,000 were added to the debt, during the twenty years of the late war with France ; and would you not naturally expect that, during thirty-four years of almost uninterrupted peace, a considerable portion of this debt ought to have been paid off ?

The official statement which has been delivered into Parliament is as follows :—

Date.	Unredeemed Debt.	Interest.
	£	£
1817	796,200,191	29,842,014
1819	791,867,313	29,310,454
1825	781,123,222	28,372,206
1828	777,476,892	28,389,869
1830	771,251,932	28,285,900
1831	757,486,996	27,674,754
1832	755,543,884	27,658,299
1836	760,294,554	28,403,304
1841	766,371,725	28,556,324
1844	772,169,092	29,963,614
1846		27,827,265
1847		27,656,555
1848		27,704,233

In addition to this, the interest on the floating debt was, in

1807	£2,165,177	1844	£531,843
1828	873,246	1846	426,607
1831	675,000	1847	421,432
1841	818,046	1848	436,298

The total interest for the whole debt, in 1849, is £28,243,527, according to the statement of the Chancellor of the Exchequer, in his Budget, Friday, June 22nd, 1849.

Let us, now, examine the steps that have been taken, and the plans which have been pursued, by the successive Lords of the Treasury, to pay off this enormous debt, and relieve the nation from the excessive burthen of so many millions of annual taxation.

SINKING FUND.

The evil of a continually increasing debt was early seen, and the minds of various political economists brought to the consideration. A plan for the gradual extinction of the debt, by consolidating the various surpluses of revenue arising from the reduction of interest and other sources into a **SINKING FUND**, to be constantly applied to the purchase of stock, was first proposed by Earl Stanhope, and adopted by Sir Robert Walpole, so early as 1716; and its advantages, if suffered to operate at compound interest, are fully detailed in a tract by Sir N. Gould, 1726. The act establishing the sinking fund declared, "that the various surpluses of which it consisted shall be appropriated, reserved, and employed to and for the discharge of the principal and interest of such national debts and incumbrances as were incurred before the 25th December, 1716, and to and for NO OTHER USE, intent, or purpose whatever." But, notwithstanding this clear and explicit enactment, the Sinking Fund was very soon diverted from its original destination; several disguised encroachments had been made in 1727 and 1732; and, in 1736, the entire produce of the fund was anticipated and mortgaged. Dr. Price, from whom Mr. Pitt took his plan of a sinking fund, greatly laments this perversion from its original application. "Thus," says he, "after an existence of a few years, expired the sinking fund, that sacred blessing, once the nation's only hope, prematurely and cruelly destroyed by its own parent." Mr. Pitt was also strongly impressed with the incalculable importance of decreasing the amount of the National Debt—one before which all wars or subjects of present interest, excepting only the preservation of the Constitution, sink into insignificance: and he repeatedly expressed, in the most energetic language, his sense of its **OVERWHELMING MAGNITUDE**. In bringing forward his plan of a sinking fund, in 1786, he said, "to accomplish this is the first wish of my heart, and it would be my proudest hope to have my name inscribed on a pillar to be erected in honour of the man who did his country the essential service of reducing the National Debt." —*Alison's Europe*, Vol. V. cb. 41.

Mr. Pitt's plan was, to set apart a portion of the surplus revenue to accumulate by **COMPOUND INTEREST**, and, after the expiration of a certain period, to apply the aggregate amount of interest and principal to the liquidation of the debt. To show the fallacy of this scheme, a few explanations will be requisite. Interest is of two kinds—simple; and compound, or that which is allowed for the use of both principal and interest taken together, and continually accumulating. If money be lent out at

simple interest, at five per cent., it will be doubled in *twenty years*; that is, if the interest be forborne during that time, it will equal the principal. If money be laid out at *compound interest*, on the same terms, it will be doubled in little more than *fourteen years*. We will suppose £100 lent at five per cent, at compound interest, for 100 years: at the expiration of the first fourteen years, omitting fractions, it will amount to £200; at the expiration of the second fourteen years, to £400; the third fourteen, to £800; and so on: doubling itself every fourteen years; until, at the expiration of 100 years, it would increase to the sum of £14,112. While, at simple interest, it would amount to only £600, including principal and interest. It was, then, on this power of money to accumulate at compound interest that the sinking fund was established.

Dr. Price, a very skilful arithmetician, calculated that the sum of one million, annually improved, would, in the period of twenty-eight years, amount to four millions per annum; and that ONE PENNY, if laid out at compound interest at the birth of our Saviour, would, in the year 1775, (the period at which he wrote,) have amounted to a solid mass of gold eighteen hundred times the whole weight of this globe. This was really prodigious! The doctor was so pleased with the result, that he thence conceived the idea of reducing, or redeeming, the national debt. Dr. P. communicated his scheme to Mr. Pitt, who appears to have been as much captivated by the discovery as the doctor. This was in 1786—a time favourable for the experiment, as there was a surplus revenue of a million to commence with. It was resolved that this million should be set apart to fructify by the miraculous power of compound interest, agreeably to Dr. Price's calculation. Commissioners were appointed to take charge of the sacred deposit which, on NO PRETEXT, was to be violated. Now, however accurate the arithmetical calculations of the doctor might be, the payment of the debt by this means was not possible. For to whom could the money be lent; or on what security could it be invested, to procure the compound interest? If the million, by being deposited in the Treasury Chest, could there fructify and produce its hundred-fold, like grain in the earth; or if it could have been lent to any foreign power—France, Russia, or Germany—in perfect security, until each million should become a hundred millions; then the plan would have been excellent. But, on the contrary, new loans were to be continually borrowed, and new taxes were to be annually imposed, in order to pay it. The British nation was to lend it—to itself, and the compound interest could only be accumulated by the imposition of fresh taxes. A certain number of commissioners, at high salaries, were to be employed to transfer the nominal amount from iron chest A.; or rather from ledger A. of the Chancellor of the Exchequer, to Ledger B. of the First Lord of the Treasury: for the gold never found its way into the iron chest. To make capital increase at COMPOUND interest, it must be employed in some sort

of productive industry; and the profits, instead of being consumed as income, must be regularly added to the principal, to form a new capital. —Has any such national sinking fund ever existed? On the contrary, we find there were always floating from twenty to forty millions of Exchequer Bills,—which, in commercial language, are denominated *paper kites*—anticipating the revenue.

In 1792, some further additions were made to the fund; and it was also enacted—besides providing for the interest of any loan that might henceforth be contracted—that **ADDITIONAL TAXES** should be imposed, to form a sinking fund of one per cent. on the capital stock created by such loan. Subsequently to the commencement of the late war, the income of the country uniformly fell greatly short of the expenditure, and the debt rapidly increased. But, although there was no annual million in the Treasury to transfer to the commissioners, the patronage and the lucrative salaries attendant upon its nominal existence were all kept up; the loans for the service of the year were uniformly increased; and the whole of the sums placed at the disposal of the commissioners of the sinking fund. So that, for every shilling's worth of stock transferred by this futile proceeding, an equal amount of **NEW DEBT** had to be contracted, exclusive of the loss incurred on account of the expense of management; and yet this delusive proceeding was lauded by all parties—the opposition vied with the ministerial henchmen in celebrating its praises!!

The sinking fund was universally considered as the great bulwark of the country; and so lasting and powerful was the infatuation, that after fourteen years' experience of its absolute nullity, when Lord Henry Petty (now Marquis of Lansdowne) introduced his plan of finance in 1807, it contained a system of checks, to **PREVENT THE EVILS** likely to result from allowing the sinking fund to accumulate without any limit, and **DELUGING THE COUNTRY WITH A FLOOD OF WEALTH**. Has any one ever heard any of our wealthy nobles, or great capitalists, express their fears at any terrible catastrophe that threatened the peace and welfare of their own families, by the expected irruption of ten or twenty thousand a year into their luxurious mansions? Or would any family, in the middle ranks of life, think themselves very miserable at suddenly receiving an accession of a thousand a year to their income; if not, how could it distress and revolutionize the country, by dispersing these thirty millions per annum in as many million minute streams to irrigate, render verdant, and fertilize the land? But thus, we find, that those spectators upon whom some juggling has been successfully practised whilst seated in the front of the stage, although they may subsequently be admitted behind the curtain to move some of the machinery, still they are surrounded by so many inferior actors, whose interest it is to keep up the delusion, and deceive even their chiefs, that the eyes of the latter are still deceived, and their judgments warped by the influence of their first

impressions. The writer of the article "Funds," in the *Encyclopædia Britannica*, remarks, in regard to this subject, that "we doubt whether the history of the world can furnish another instance of such extraordinary delusion."

Dr. Hamilton, in 1813, has the merit of having greatly assisted in dissipating this delusion—the greatest, certainly, by which any people have ever suffered themselves to be blinded and deceived. But, when I say the nation was deluded, I do not mean to assert that Mr. Pitt and his supporters intended to delude the nation; they were themselves first deluded; they had imagined a phantom, which they firmly believed to be a reality: but Dr. Hamilton subsequently demonstrated that the process of the sinking fund, instead of reducing the debt, had really been the means of increasing it. The total amount of loans contracted from 1793 to 1816;—that is, including the whole period of the war against France;—was £584,874,556. The proportion which was transferred to the commissioners of the sinking fund during this period was £188,522,350; the expense of the office of the commissioners for the same period was £62,968; which sum—as it was all borrowed—occasioned an annual charge to the public of £9,771,063: but the stock which the commissioners purchased with this sum, £188,522,350—transferred to them out of the loans—only yielded an annual dividend of £9,168,233. On the one hand, therefore, an annual taxation of 9,771,063 was laid on the agriculturists, manufacturers, merchants, and tradesmen, in order to enable the commissioners of the sinking fund to go to market; and, on the other hand, they bought stock which yields only £9,168,233: so that, on the whole, their operations during the war occasioned a dead loss to the country of £602,830 per annum—a sum considerably exceeding the amount of revenue raised by the duty on cotton-wool, from which our Manchester and other manufacturers prayed in vain to be relieved, and equivalent to a three per cent. capital of £20,094,333. Since the peace, the operation of the commissioners has been equally injurious to the public, and profitable only to themselves and the speculators in the funds.

Recapitulation according to the Parliamentary Papers.

Loans transferred	.	.	.	£188,522,350
Expense of Commissioners	.	.	.	62,968
Annual Charge of Interest	.	.	.	£9,771,063
Dividends on Stock purchased	.	.	.	9,168,233
Annual Loss to the Nation	.	.	.	£602,830
Being equivalent to a Loss of Capital, at 3 per cent., of				£20,094,333

Mr. Marshall, in his valuable work, *A Statistical Display of the Finances of the Kingdom*, exhibits that, in addition to the above-mentioned loss to the nation by the whole of the sinking fund transactions; the stock-

jobbers received a further bonus of £15,000,000 in the aggregate, by the payment of the two first half-yearly dividends on the loans, before the instalments on the loans were all paid up!!!

Let us now, Gentlemen, consider what has invariably been the fate of this sinking fund, which, by some, was looked up to as the salvation of the nation; by others, it was feared that if the fertilising flow of so much wealth were restrained but for a few years, the accumulated masses would at length burst their impediments, and deluge our previously impoverished country with a torrent of Luxury!!! The parental foresight of successive ministers has, fortunately, hitherto saved us from this calamity; and we find the temptation to employ it for the nation's good has always been too powerful for any minister to resist.

Therefore, upon balancing the public accounts towards the close of the war, we find that instead of having a surplus income when the NOMINAL sinking fund amounted to about *fifteen millions*, the clear real surplus did not amount to *two millions*, the remaining *thirteen millions* having almost insensibly glided away. Thus, by some unlucky movements, like the lass with her milkpail, the milk was always scattered before it had time to fructify into eggs, chickens, scarlet robes, and all the other brilliant accompaniments.

After many years of futile operations, ministers however became either more clear-sighted or more candid; for, in 1813, Mr. Vansittart stated that the sum produced by the sinking fund would be an instrument of great power in the hands of Parliament (*olias, a minister*), which might lead to the most important results. And Lord Castlereagh went still further, for he distinctly stated, in 1822, that HE had never represented the sinking fund as a saving to be held sacred (notwithstanding the express terms of the Act of Parliament for its creation), but as a means of placing a large sum at the disposal of Parliament, to be by them applied as might be thought most equitable—whether for the relief of any pressing exigency of the present day, or for the security of posterity. We too well know that these pressing exigencies periodically occurred, and impoverished posterity are groaning under the consequences.

Dr. Price, who, as I have previously mentioned, was the proposer of the sinking fund adopted by Mr. Pitt, lived long enough to see so many departures from every principle that it contained which might have benefitted the nation, that he wrote, in his last work on *Reversionary Payments*, "I must however observe, that having now no hope that an efficient plan of redemption will ever be established, I think with regret of the time and attention which I have bestowed on this subject. Nothing relieves me, but the reflection that the object about which I have lost my time has been the removal of an evil which, if no such measure as I have proposed, or some other efficient plan for removing this burden of the National Debt be adopted, a catastrophe must be brought on which will make this country a warning and terror to the world."

In the *Edinburgh Review*, October, 1823, we find the following pertinent remarks:—"The loans raised in 1815, for which upwards of £87,000,000 of capital were created, and all included in the account of January, 1816, at the rate of £100 debt for every £52 sterling actually received into the exchequer, there remained to be paid up, after January, 1816, the sum of £5,939,803, with which the same stock that had been created at FIFTY-TWO POUNDS was repurchased by the Commissioners of the Sinking Fund, at the advanced price of EIGHTY-TWO POUNDS, to the amount of £9,563,082; thus giving a profit to the original contractor or to the fundholder, and consequently causing a loss to the tax-payers of £30 upon every £100 stock—or of nearly three millions (£2,868,900). Thus it appears," continues the reviewer, "that every statement made by ministers since 1816, with respect to the financial situation of the country, has been completely nugatory, fallacious, and unfounded. Instead of reducing the debt, they have considerably increased it; their sinking fund, stock transfers, and other locus pocus tricks and devices, have cost the public £7,528,000 of surplus revenue, and £700,000 of additional annual burden. But perhaps this is not enough to show the propriety of abandoning this system of jugglery and delusion; and we doubt not, that if the public continue to manifest the same degree of stupid indifference to the financial quackery of ministers as they have hitherto done, they will, as they ought, be graciously favoured with some still more striking proofs of the efficiency of the sinking fund, to sink them still deeper in debt and difficulty."

Now, Gentlemen, I wish particularly to call your attention, not only to the sentiments above quoted, but to the peculiar source whence they are drawn. It must be well known to all political readers, that the *Edinburgh Review* has long been the organ of the opinions, if not of all the members of the Reform Administration, at least of the great majority of their supporters; for it is well known that the writers were Lord Brougham, Lord Jeffery, Messrs. Macauley, Ricardo, and M'Culloch, and other gentlemen who either held high situations in that government, or were consulted by them;—therefore, if those Great Reformers, whilst they held the reins of power, did not move in effecting those grand measures of reform, the theories of which they so boldly and ably put forth whilst out of power, we must believe that they were only waiting the will of the electors to be declared; they frequently acknowledged that so great was the opposition against which they had to contend, that they could effect but little good without they were assisted by "the pressure from without." It was the last sentiment expressed by the retiring minister in the debate on the address to her Majesty. It is therefore for YOURSELVES to take the initiative in this business, and to declare your opinions to your respective representatives, in so firm and explicit a manner that it can neither be misunderstood nor neglected; or you will run the chance of again being told, that "if you continue to manifest the same degree of stupid indifference to the

financial quackery of ministers that you have hitherto done, you will be graciously favoured, as you will well deserve, with some more striking proofs of the efficacy of the **FUNDING SYSTEM** to sink you still deeper in debt and difficulty." With the above pithy eulogy from the talented writers of the *Edinburgh Review*, I think we may now leave this formerly so vaunted Sinking Fund to the "tomb of all the capulets." But what I wish particularly to impress upon your minds by calling your attention to this extract is, that each party, when displaced from the helm, finds the same fault with the pilot in command; as an *Ex-Chancellor of the Exchequer*, previously the object of the above criticism, brought a similar accusation of *hocus pocus* tricks against his successors in office. It is, therefore, not the individuals in power, but the system which must be changed; and that this change is never likely to originate with any minister whatever, there are **ONE HUNDRED MILLION REASONS** against it—so many friends and dependants to be employed in receiving the fifty millions of taxation, and as many to assist in expending them.

The hopes which had been excited by the adoption of this system having been disappointed, and the rapidly and regularly increasing amount of this debt becoming daily more burdensome, attracted the attention of various political economists to find out a remedy.

Some writers have asserted that there is only one means of relieving the nation—by at once declaring a bankruptcy, and thus getting rid of the whole evil. Other political economists have proposed that, following the example of other nations, upon the plea that individuals must suffer some inconvenience for the public benefit, a *certain portion of the debt* may very justly be cancelled, in the same manner as an insolvent individual acts when he pays a composition to his creditors: and they have endeavoured to prove that, if this be carried into execution, it would produce a benefit to every fundholder who remains and expends his income in the country; because the general price of provisions, and of the other requisites of life, would be reduced by that measure in a still greater proportion than their incomes. Notwithstanding the talent with which this proposition has been occasionally supported, and the specious colouring thrown over its injustice, fortunately for the honour of the country, it has not been entertained by the legislature. This proposition, although it really had some truth and justice for its basis, still had the appearance of being a glaring violation of the public faith, and a lasting stain upon the honour of this wealthy, commercial, and powerful nation—injurious to individuals, and pregnant with many evils. It would be about as just as seizing upon a portion of the estates of our great landed proprietors, or of the contents of the warehouses of our merchants, and selling them in order to effect the same object. It may however, I fear, be asserted, that however the principle was repudiated, the practice was actually effected, under a disguised and more plausible form, when, in 1822, the **FIVE per cents.** were first reduced to **FOUR**, and afterwards to **THREE-AND-A-HALF**

and **THREE-AND-A-QUARTER** per cent., which will be subsequently detailed.

Another proposition also, which was brought forward to convert the whole debt into **TERMINABLE ANNUITIES**, although not quite so unjust, is still liable to the charge of injustice; because it would equally be a violation of the contract entered into by the nation, through the intervention of the Chancellor of the Exchequer with the public creditors, who did not originally agree to accept terminable annuities for their capital advanced, but have wished that their heirs should inherit, for a long series of years, what they themselves enjoyed. Terminable annuities, it is well known, bear a very inferior value in the money market compared with the prices of other stock, so as generally to be termed "the dead weight;" and that the proportion which the Bank of England formerly purchased of Government is understood to have been one of the principal causes of the occasional embarrassment in the money market, from locking up so great a proportion of their funds in stock so difficult to be negotiated. Terminable annuities are also frequently productive of disastrous consequences to the families of annuitants. When a man originally places his money in an annuity, he generally devotes a portion of his income to the insurance of his life, for the benefit of his heirs. This he could not effect so advantageously at a more advanced period of life, if an annuity he **FORCED UPON HIM** by government in exchange for his consols; and his family, brought up in comparative luxury, may find themselves, on the decease of a parent, plunged in a moment into want and misery. If the annuity should terminate at a fixed period, the consequences might be still more lamentable, because it may expire during the lifetime of the original annuitant, when he would not only be unable to pay his annual insurance, but in his old age would be reduced to positive want.

These individual calamities must subsequently be productive of national inconvenience, for the whole community is made up but of individual members. Moreover, this proposition, and that of some other political economists, instead of offering any alleviation of the present pressure, must tend greatly to increase it upon the present generation for the benefit of a distant posterity; since, if the transfer is to be voluntary on the part of the public creditor, he must be offered a much greater rate of annual interest than the present interest of consols, during the continuation of the annuity, in order to induce him to accept the terms; for, according to the calculations of a late Chancellor of the Exchequer—Mr. Baring,—to convert the permanent into terminable annuities, it would be requisite to give £150 per annum for every £100 in the three per cents., thus increasing the annual taxation for the interest of the whole debt from **THIRTY** to **FORTY-FIVE MILLIONS**; and if, to raise an additional three millions, it was found necessary to impose an income and property tax, which is found so onerous, by what means is the additional fifteen mil-

lions to be raised? This additional interest must of course be provided for, either by a very great augmentation of numerous taxes, or by new loans equally burdensome to the present community; because the interest for these latter must be provided for. Further, the proposition to make the transfers at full market price of the day would be unjust towards the nation; because the average price of the three per cents. is full £90, whereas the nation has received on an average not more than £60 sterling for every nominal £100 stock. The increase of price has been caused by various monopolies, and other artificial means, for which in justice the nation is not responsible. Taking this price, then, as the basis of operation, the debt would be increased from £600,000,000 to one of £900,000,000. On the contrary, Gentlemen, I trust you will find that my subsequent proposition is founded on the basis of the strictest justice to all parties—to the individual fundholders who are the creditors, and to the public who are the debtors. Some of the advantages that it offers are, that it will allow at once a great diminution of taxation; will cause no violent sudden change among any portion of the community; will return to the individual creditors the whole sum originally advanced; and, I trust, leave the national faith unsullied. Concerning some other propositions, which have recently been brought forward, I shall not attempt to detain my readers—their merits are sufficiently before the public—but shall advance to the remedy which I believe may prove beneficial.

Now, Gentlemen, it must be perfectly vain and fruitless for us to waste our time in petitioning for the removal of any *INDIVIDUAL* Tax whatever, so long as our debt demands *THIRTY MILLIONS* of Taxation to pay the interest and the charges of collecting this enormous revenue. No effectual and permanent reduction of provisions and other necessities of life can possibly take place, until, by a *general reduction of EXPENDITURE AND TAXATION*, you place the English landlord and farmer in as favourable a position, as far as it may be possible, as those of the foreign countries from which you hope to receive cheap corn. From authentic parliamentary documents, the landowners in general do not receive *FOUR* per cent. for their capital. If the agriculturist does not make a certain profit upon his labours, he can neither purchase the same amount of manufactured goods, nor of foreign production—tea, coffee, &c.—which he has hitherto done; nor can he pay the proportion of taxation which he is now paying: therefore, with a greatly diminished sale, and greatly reduced profit, the manufacturer, importing merchant, and tradesmen of every kind, must pay not only their present portion of taxation, but also their share of that amount which is now paid by the landed interest; for, however we may flatter ourselves on the removal of a tax from any individual object, the tax is but shifted to some other object, perhaps a little more removed from our daily view, but still equally onerous and injurious to general

commerce, so long as the national expenditure be not diminished, and so long as your Chancellor of the Exchequer still demands and gathers in nearly **SIXTY MILLIONS** of taxes—miscalled revenue.

For the sake of illustration, let it be allowed that there was considerable truth in the statement of the anti-corn law advocates, who asserted that we paid fifty millions more per annum for our corn than the corn consumers of other countries for the same quantity of food; and that the sole reason for the imposition of these corn laws was to increase the rents of the landlord.

Now, let us consider that the entire rental of England and Wales, as estimated by the returns of the Property Tax Commissioners in 1814-15, was £34,330,462; of this thirty-four millions it is estimated, by Mr. M'Culloch, that seventeen millions must be deducted as the interest, on account of buildings, fences, drains, roads, and other capital laid out in the improvement of the soil; therefore there can be only seventeen millions as **NEAT RENT** for all the corn-bearing and grass-land in the kingdom. Now although, since that calculation, either from the improvement of the lands or from the tightening of the screw by the Property Tax Commissioners, the return is increased to forty millions, the effect is but little changed.

Suppose, then, the whole body of landowners removed to Australia, or annihilated, all the land enjoyed free of rent, and the amount of the previous rental devoted to reduce the price of corn and meat, we should even then have but little more than one-half of the burden of the interest of the national debt removed. Further; let us consider that this seventeen millions of rent is now greatly expended in the home market, in the purchase of manufactured goods, or in articles of foreign produce, which give employment and profit to the shipowners, sailors, merchants, and retail traders. A portion of this seventeen millions would be transferred to the hands of other individuals, and another portion would go to the benefit of foreign landowners; but, in a national point of view, we should not be benefitted, because that portion of the thirty millions of taxation to pay the interest of the national debt must then be paid by the manufacturers and other consumers of corn, which is now paid by the landowners and farmers who, during the late war, paid **NINE** out of **FOURTEEN MILLIONS** of the property tax. Therefore, although the profits will change hands, the taxation and burthen upon the general population will be equally oppressive, **UNLESS THE NATIONAL DEBT BE REDUCED.**

“During the war with Bonaparte, the agricultural classes contributed to the State, by **THEIR INDUSTRY AND LABOUR**, more than three times as much as the manufacturing and commercial united. This is found by the property tax. When there was an unrestrained admission of foreign grain in the peace, it struck off at once fifty millions from the gross re-

ceipts of the agricultural classes. The result was a fall of wages and of every species of commodity, and a consequent diminution of profit and income to every class of the community. Farmers in Lancashire, of frugal habits, which they still retain, and who in former times had always a stock-purse of two or three hundred pounds, have broken their nest-egg. In many of the counties of England numerous farmers are now in a state of insolvency, than whom there was not a more industrious set of men living, and who had succeeded their fathers and grandfathers upon the same land for two or three hundred years: these have had their property swept away by the fall of prices, and can no longer support the shops of the villages and small towns. Many thousand acres, formerly in high cultivation, are now lying waste. In Surrey and Sussex it is very difficult to procure tenants. The land is ill-cultivated, and therefore deteriorated. Tenants would gladly keep more men at work, but they have not the means of paying them; impoverished as they are, they cannot bestow upon them half the labour they used to do."—*Quarterly Review*, 1834, Vol. 51.

In any attempt at reducing this debt every proposition must be founded on an adamant basis—that of the strictest justice to the public creditor; and to take due care that the commercial honour of this great and wealthy nation, which owes so much of its prosperity, grandeur, and power to its high reputation for commercial integrity, should remain perfectly unsullied. But, Gentlemen, in doing the most ample justice to the two hundred thousand fundholders who advanced their money to the nation in the hour of need, we must also take equal care that we do not decline into a profuse generosity, which would become the greatest INJUSTICE towards the remaining twenty-six millions comprising every other class of the community, and injurious to the national prosperity—injurious to the fundholders themselves.

Let us, then, Gentlemen, first consider the position of the fundholder at the epoch at which he invested his capital in the national funds, or during the period of the war from 1803 to 1815, when so great a proportion of the debt was incurred. During the greater part of this time there was deducted from his income a tax of either five or ten per cent. towards the expenses of the nation; therefore, it was with this reduction that he estimated his interest and advanced his money. He had at that time to pay for his corn, occasionally, 120s. per quarter; but let us state the average as low as 100s.: this average is now reduced to 50s. The reduction of the other requisites for a family, as copied from parliamentary papers during many years of peace, are in the following proportions:—meat has fallen from 6s. 6d. to 4s. per stone; iron, from £15 to £8, and sometimes even to £5; and the manufactured articles frequently 50 per cent. The same quantity of frame net, for which some years since the sum of £1. 1s. was paid, can now be furnished by the Paisley manufacturers for

the odd shilling. Other articles of domestic consumption have also greatly fallen in price. Cheese, from 105s. to 65s.; tea, of the same quality as that sold during the war at 10s., may now be had for 5s.; a coat may now be had for £3, which was formerly charged £5; boots, dresses for ladies, more beautiful in texture and more elegant in design, and many other articles, at one-half the prices they cost at the time the money was borrowed: so that an income of £150 derived *from the funds*, but not from any other source whatever—because the sources of all other incomes, or the capitals whence those incomes are derived, are all heavily taxed—is at least equal to one of £200 per annum during almost any portion of the period when the money was borrowed.

But, Gentlemen, are the landowners, manufacturers, and merchants placed in the same favourable position? I believe, by no means so; for, although these classes are also participating in some of the advantages, they are also forced to contribute towards these reductions by greatly diminished profits on their capital and labour, and by the exercise of superior skill in their various employments. Landed property has sunk in value, in most instances, from 30 to 50 per cent. The immediate neighbourhood of improving towns, or land immediately adjoining any railroad station, are exceptions. For the farm that would freely let in 1812 for £200, will now scarcely find a tenant for £150, without much capital has since been expended on the soil in improvement; and those landlords who had previously granted long leases are continually, at each rent day, obliged to deduct 20 or 30 per cent. from the original bond, or their tenants would become bankrupt.

Throughout almost all England, in what state do we find the farmer himself—he who, in the principal agricultural counties during the war, was the most prosperous of the prosperous, the most hospitable in a hospitable nation, the best friend and customer to the general manufacturer, through the country shopkeeper, and who could afford to his children a good education at a respectable boarding-school, and himself help to fill the ranks of the yeomanry, mounted on a handsome charger, or enjoy the sports of the field upon a good hunter? The social friend, with the plentiful roast joint and bottle of old port, is now banished from his board; the comfortable carpet and elegant furniture of his parlour have given way to the sanded floor and common deal tables and chairs; his children receive a very inferior education at the village school, and his equestrian performances are confined to jogging to market on a rough cart-horse.

The merchants and shipowners have also suffered great diminution of profit, from having lost much of the carrying trade which they enjoyed during the war, when the British union flag covered the seas, almost without a rival; and at present—from the greater competition in the market, from the cheaper rate at which the Americans and the northern nations of Europe can build and equip their vessels, and from a great

proportion of our most skilful shipwrights and able mariners having gone into the American, and many of them into the French service—the profits of both the merchant and shipowner are greatly reduced. The Hon. Captain Rous, during a debate on the corn laws, stated that he was a captain and shipowner; that, if he went to Hamhurgh, he could there build a ship for £2000, which at Hull or Liverpool would cost him £3500: then, after the ship was rigged at Hamhurgh, he could procure Prussians, Swedes, and Norwegians, all good seamen, for 15s. per month, and rations for them at 3d. per day, per man. But to English sailors he must pay 40s. a month; and their rations, purchased in an English port, would cost 1s. per day; making a difference of 48s. per month. It was therefore impossible for the English shipowners and merchants to contend in freights with the foreign merchant.

At a public meeting held at the Court House, Aberdeen, October 12, 1841, it was shown from the Custom House entry that, from 1834 to 1840, the transport of the import trade had been regularly increasing in foreign bottoms no less than three-fourths, whilst the British had remained stagnant—as follows:—

	1834.	1835.	1836.	1837.	1838.	1839.	1840.
British	90	87	84	96	91	91	90
Foreign	31	48	56	69	83	135	120

because every British vessel is taxed in her timbers, ropes, masts, sails, policies of insurance, provisions, &c., in order to pay the interest of the National Debt: therefore the cost to the foreigner is not more than one-half of that which is paid by the British owner. And whilst British vessels had frequently to leave their own ports in hallast, these foreign vessels procured a full return-cargo.

A few years since the merchants of Greenock and Glasgow enjoyed a very profitable export trade to Newfoundland and the West Indies; but at present, when wishing to supply the inhabitants of their own colonies, and even their own clerks and agents, not only with manufactured goods but with much which they eat and drink, they inform me that they are obliged to send their vessels in unprofitable hallast, on long and frequently tedious and dangerous voyages, to Hamhurgh, with purses of gold instead of British merchandise, there to purchase those stores which formerly the manufacturers and agriculturists along the hanks of their own Clyde exclusively supplied; because they have THIRTY MILLIONS of taxation levied upon their shipping, their lands, and provisions, to pay the interest of the NATIONAL Debt.

(To be continued.)

REDUCTION OF TAXATION.

No. 4,

OF A SERIES OF LETTERS—PRICE THREEPENCE EACH—

ADDRESSED TO THE LANDOWNERS AND FARMERS; THE MANUFACTURERS AND TRADESMEN; THE MERCHANTS AND SHIP-OWNERS; AND TO ALL OTHER **TAX-PAYERS** OF THE UNITED KINGDOM——COMPRISING THE DEVELOPMENT

OF A PRACTICABLE AND EQUITABLE MEANS
OF PAYING OFF THE

NATIONAL DEBT;

THE MOST EFFECTIVE AND ONLY REMEDY FOR THE
PRESENT EVILS OF THE COUNTRY, AND TO PREVENT
THE RECURRENCE OF SIMILAR EVILS FOR THE FUTURE.

By Britannicus.

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LETTER IV.

23. Competition of Foreign Vessels greatly increasing—*continued*.—24. Although **NOMINALLY** the Nation pays only **THREE** per cent. for the Debt, **IN REALITY**, it pays more than **FIVE** per cent., because only £480,000,000 of Sterling Money was received from the Contractors for the **NOMINAL** present Debt of £800,000,000:—proved by the terms on which all the Loans from 1797 were contracted.—25. Loan of 1798—only the sum of £99. 10s. 9d. received for more than £200 Stock.—26. Omnium; of what it consisted.—27. The manner in which the Debt may be justly liquidated, by an example of a Landed Proprietor, who borrowed the sum of £100,000.—Similar proceeding of the Corporation of Dover, and the Dock Trust of Liverpool.—28. Principles for the management of the public Debt, by Dr. Hamilton.—29. Proposition for paying off the public Debt, with perfect justice to the Fundholder and to the Nation.—30. Tables in which the proposition is exhibited for every half-year, until the extinction of the entire debt.

To the Landowners and Farmers ; the Manufacturers and Tradesmen ; the Merchants and Shipowners ; and to all other TAX PAYERS of the United Kingdom.

GENTLEMEN.

At a meeting of shipowners at Newcastle it was stated, that, after sixteen years' experience, they found that the increased trade had been engrossed by foreign vessels, whilst the freights for British had diminished. The arrivals were—

1819	British vessels	. 935	. Tonnage	. . 130,200
1839	Ditto 840	. Ditto 127,947
1819	Foreign vessels	. 957	. Ditto 154,220
1839	Ditto 3,954	. Ditto 494,666

being a decrease of 95 British ; whilst the foreign had increased no less than 2997 : because the expense of manning and victualling a ship of 300 tons were—British, £206 ; foreign, £105. Numerous petitions and reports to Parliament—from the silk, cotton, and other manufacturers—prove that the manufacturers of the European continent and of the United States are rapidly and successfully supplanting the British in various foreign markets ; that the comforts and recompense of the citizen and of the agricultural labourer have equally diminished. All these classes are forced to pay heavy taxes, either in money or toil, to the State, the clergy, the county and parish rate, land and window tax, and upon (not only every luxury but) every necessary of life that they consume. They must pay heavily for the maintenance of the army and navy, the support of judicial officers and police, for the maintenance of prisons, the trial and punishment of felons. These are all taxes upon your land and houses, warehouses, and other capital whence you derive your profits, by great mental anxiety, the exercise of high talent, and much physical toil.

In the *Liverpool Times*, we read, “Business of all descriptions becomes duller every day ; the cotton and woollen trade both exhibit the same unequivocal symptoms of distress and decay that they have shown for the last three years. The iron masters have determined to diminish the production of iron £25 per cent. for six months ; whilst whole forests of colonial timber may be seen at present piled around the Brunswick dock in this port, unsaleable except at most ruinous prices, and the value of shipping continues to decline rapidly under the influence of ruinously low freights to all parts of the world. The pressure on the mercantile and manufacturing interests is now extending to retail traders of every description, and threatens to involve the shopkeepers in embarrassment and poverty, along with all the classes who used to be their customers for the necessaries, the conveniences, and the luxuries of life.”

But the fundholders have not one of these drawbacks on either their capital or their income. They only pay a tax on the articles they actually consume; and, if they remain in the country, they are participating the benefit of all the reductions in the prices of the articles they purchase, without having, as mere fundholders, contributed in the slightest degree, by any exertion of their talents, or any diminution in their profits, towards the reduction of the prices of provisions; and they may, and consequently we find that many thousands of them actually do, pass their lives and expend their incomes—those incomes entirely arising from your excessive taxation—in foreign countries, without contributing one penny towards the relief of the poor, towards the general revenue of the kingdom, or towards any of the expenses necessarily incurred in the conservation of their capital; that is, of your lands, and houses, and warehouses, and ships, and stocks, and your intellectual faculties and physical strength, which truly form **THEIR CAPITAL**: since these, and every thing else that you possess, are all mortgaged to the fundholders, who have been receiving without one farthing deduction—until the recent income tax imposed by Sir Robert Peel—the **NEAT PROFIT** and interest, leaving to all the stay-at-home classes of the nation the **TARE AND TRET**, to use and digest as best they can.

Thus the industrious classes of the kingdom are nearly like the Israelites in the land of Egypt, and the absentee fundholders, their Egyptian task-masters. But these fundholders are not to be blamed, either individually or collectively; for who would not, if in their power, also delight to breathe the health-inspiring transparent atmosphere, ramble over the sunny plains and vine-covered hills, of the gay regions of Italy and France—where I have often purchased a fine fat turkey for half-a-crown, and delicious Burgundy or Bordeaux, when bought by the barrel from the grower, at less than one shilling the bottle. These fundholders are not to be blamed or vilified; indeed, I think them very wise in their generation, in thus enjoying “the blessings your free bounty gives,” and carrying into practice the advice of the poet, “to enjoy is to obey.” But is not the whole system of your successive Lords of the Treasury and Chancellors of the Exchequer—from Sir Robert Walpole to Sir Robert Peel—to be blamed, for having thus so greatly mismanaged your financial affairs; and ought not the supineness of the whole nation to be blamed if this unjust state of affairs should longer remain? Now, Gentlemen, I ask: Is this **JUSTICE** towards the merchant, the manufacturer, and the landed proprietor—towards the industrious farmer and tradesman, the half-fed labourer and squalid artisan? Surely, there is not a single fundholder who would answer in the affirmative. Now, when all the industrious stay-at-home classes must yearly have new burdens imposed on them (for it is to be feared that the income and property tax, burdensome as it is found to be, will shortly prove very inade-

quate to the expenses of the nation under the deficiencies arising from our decreasing commerce), and when so many thousands of our industrious artisans, mechanics, and agricultural labourers are literally starving, and perishing miserably from want of employment, would it not be perfect justice that the fundholder should contribute his proportion of expenditure towards the conservation of his own capital and the collection of his rents, by a reduction of interest FROM FIVE TO FOUR per cent., which would still be nearly one per cent. above the market price—as I shall subsequently prove, notwithstanding the various devices pursued in the transfer of stock and pretended three per cents.? This might be managed by the simplest machinery—by the deduction of the sum total of dividends, whenever payable, as is now done in collecting the income tax.

Let us next consider, that although five per cent. was the legal and general interest paid in all money transactions during the war, therefore that it was just that the nation should then pay such an interest to the public creditor; still, that the rate of interest has since greatly fallen, and the fundholder is no more entitled, either lawfully or in honour, to receive 5 per cent. for the use of his money in the present day than your clothier is entitled to receive £5 for a coat, because you paid him that sum during the war, when materials and wages were much dearer; yet, as these have since been greatly reduced in price, and as other clothiers only charge £3, or £3. 10s. for a similar article, he in justice can only demand the same sum.

Perhaps the uncalculating fundholder, who has recently purchased his stock, may assert that he is not paid five per cent., since all his capital is invested in the three per cents., and has been purchased at £80 or £90; we may reply—If, sir, you have given an extraordinary high price for your stock, which has been raised, either by the artifices of the Stock Exchange speculators or by any casual circumstances—such as the annihilation of the American Debt, the reduction of interest in the Prussian funds, or the hazard of placing money in any of the other foreign funds—thus throwing much capital into the British fund market; the nation is, in strict justice, not responsible for this artificial price, nor for these private transactions, but only for the amount of sterling capital originally advanced; and, therefore, you are to calculate your nominal £100 stock only as £60 sterling, for which, as you receive £3, you *bonâ fide* enjoy—at least the Exchequer, or more correctly speaking, the Tax-payers of the nation, are paying—five per cent. This must be perfectly easy of comprehension to any person who can calculate—that, if £60 gives £3 interest per annum; £100 sterling, at the same rate, will give £5. To prove that we are really paying this interest for money, let me request your attention to the following Table of the Loans contracted during ten years of the war—from 1797 to 1806 inclusive.

			£	s.	d.				£	s.	d.
1797 .	£18,000,000	at	5	14	1	1801 .	£28,000,000	at	5	5	5
1797 .	14,500,000	„	6	6	10	1803 .	12,000,000	„	5	2	0
1798 .	17,000,000	„	6	4	9	1804 .	14,500,000	„	5	9	2
1799 .	3,000,000	„	5	12	5	1805 .	22,500,000	„	5	3	2
1799 .	15,000,000	„	5	5	0	1806 .	20,000,000	„	4	19	7
1800 .	20,000,000	„	4	14	2						

Thus we see that only two of these loans were subscribed above £60 : viz., that of 1800, the interest of which is only £4 14s. 2d. ; and that of 1806, at £4 19s. 7d. But some were as low as £48 for £100 stock : viz., that for 1797, bearing an interest of £6. 6s. 10d. ; and 1798, an interest of £6. 4s. 9d. The rest were all below £60 for £100 stock ; and, consequently, bear an interest of more than five per cent.

Now, although the whole debt, including the unfunded Exchequer Bills, stands recorded in round numbers, nominally as £800,000,000, and which WILL SOON become a real debt of that amount, if the nation still continue apathetic and supine under the burden ; yet, it may be safely asserted that not more than 480 millions of sterling money has really been received by the nation. This will easily be proved, by multiplying the 800 millions by 60, the real debt ; and dividing it by 100, the nominal debt. $800 \times 60 \div 100 = 480$.

To understand how this difference has arisen between the real value received and the nominal amount of the debt, although it must be a subject well understood by most of you, Gentlemen, yet there may be a few of my readers who have not yet paid attention to the subject. I may then state, as examples, the loan for April, 1798, contracted for by Curtis, Boyd, Solomon, Goldsmid, and Ward ; and another loan in November, 1813. In the former, for each hundred pounds sterling advanced, there was funded,

	£	s.	d.
£150, 3 per cent. Consols, at $48\frac{3}{4}$, for	72	11	3
£50, 3 per cent. Reduced, at $47\frac{1}{2}$	23	15	0
Long Annuities, at 4s. 11d., $13\frac{1}{8}$ years' purchase	3	4	$6\frac{1}{4}$
	£99	10	$9\frac{1}{4}$

So that, for less than £100 sterling, actually received into the Exchequer, we are now burdened with a debt of more than £200, and, consequently, are paying more than six per cent. ; although the public ignorantly believe they are paying only three per cent. In the loan for November, 1813, the sum for which the public was made debtor was,

In the 3 per cent. Consols	£14,940,000
In the 3 per cent. Reduced	24,000,000
Total present Nominal Debt	£38,940,000
But the Chancellor of the Exchequer received only	22,000,000
Loss to the nation of	£16,940,000

The Omnium of this loan was subsequently transacted at 20 per cent. profit to the contractors, and simple John Bull threw up his cap, calling out: "See how gloriously markets are looking up! What a high state of prosperity the country is in!" forgetting that this glorious looking up of the stocks was to the tune of nearly five millions of extra taxation, to be deducted from the hard-earned profits of the industrious portion of the people. But thus has the nation been continually plundered and deceived by paragraphs in the public papers, inserted by the interested speculators in the funds. A few of my readers, who have commenced their mercantile and political studies since those days when the price of omnium was so anxiously looked at, as the index of victory or disaster, of peace or war, may inquire—"Of what did this OMNIUM consist?"

Although the Chancellor of the Exchequer proposed the terms of the loan in parliament, he generally made a previous agreement with the parties who were willing to advance the money. The subscribers immediately deposited a certain portion of the loan, and paid the remainder by instalments. They were entitled, not only to their full proportion of the capital funded, but generally to an annuity for ten years, and to the right of receiving a certain number of lottery tickets upon very advantageous terms. They were then enabled to sell their stock to one person, their annuity to a second, and their right to the lottery tickets to a third. The value of all these interests together was called OMNIUM, and always bore a considerable premium, to the advantage of the contractor and the disadvantage of the nation.

Now, I may ask—Is there a single hanker, merchant, or tradesman in the United Kingdom, who, HAVING REAL SECURITY to offer, would have made so improvident a bargain? If there he, his friends would have a good plea to shut him up in a lunatic asylum, as totally incompetent to conduct his own affairs. And can you be surprised, as the same improvident system still continues, and the consequences have gradually and regularly been advancing since 1816, that—notwithstanding the occasional gleam of mercantile prosperity—the gloom of insolvency, misery, and destitution—much more fatal than the visitation of the cholera—is gradually advancing and settling over the whole country, from John o' Groat's House to the Land's End?

House of Lords, June 14th, 1849.—Earl Stanhope said, "Beggary and bankruptcy were stalking through the land, and discontent of a formidable character was already taking its place by their side. Reduction must be applied, without exception, in all cases—must be applied to all persons, high and low, public and private—and, last of all, must be applied to the NATIONAL DEBT, by what has been sometimes called an equitable adjustment."

The Marquis of Salisbury, on presenting a petition from the owners and occupiers of land in the neighbourhood of Wishcach, complaining of agricultural distress, said, "That no noble lord on the other side of the

House had been bold enough to rise in his place and assert that every interest in the country was not suffering most severely, (*hear, hear*). Whatever might be the cause of the depression, there was, unfortunately, no ground for disputing the fact that, at the present moment, every interest was suffering."

Gentlemen, in order to prove that the evil may be remedied for the general benefit of the millions, yet with perfect justice to the two hundred thousand fundholders, allow me to propose a hypothetical case, which may be considered as a parallel for the operation of the gradual reduction and final annihilation of the National Debt. Let us suppose, that at any given period from the year 1803 to 1815, that period during which the greater portion of our present debt was accumulated, if any landed proprietor required, either for building, for otherwise improving his estate, or for carrying on and successfully terminating a law-suit, for the sake of preserving that estate for himself and his heirs, he found it requisite to borrow the sum of £100,000, he commissioned his steward to effect this on the best terms; but, as during that period the general rate of interest was five per cent., this was demanded and freely paid. To pay this interest, therefore, his revenue is burdened with an expenditure or tax of £5000 per annum. Yet, although during several intervening years the general rate of interest has been gradually reduced from five to four, and even to three, per cent., either from his own negligence, the ignorance or any fault of his steward, or from his own gratitude for the assistance rendered to him in his hour of need, he has continued to pay this original high rate of interest. But, in the year 1849, pressed by the demands of an increasing family, or enlightened by a more faithful and intelligent steward, he feels that it is a duty which he owes to himself and family to reduce the rate of interest according to the general market price; he therefore proposes to his creditors that, for the future, he should pay them the reduced interest of four per cent. If his creditors know no better means of employing their money, they will be happy to accede to his terms; if otherwise, they will reply, "No, sir; you must either continue to pay us, according to your original contract of five per cent., or pay us back our principal." In this case, the debtor has only to have recourse to any respectable solicitor in the metropolis, who would be happy immediately to furnish the amount required, at four per cent.

In proof of the correctness of this assertion, there are frequent advertisements from respectable solicitors, offering to lend trust and other money on mortgage at four per cent. The three per cent. consols have, for a long time, averaged £90, which gives to present purchasers of stock an interest of only about £3. 6s. 8d. for £100 sterling. The money articles in the London papers, during several past years, concur in asserting that money was easily attainable at three per cent.; and, some time since, the directors of the Bank of England, being desirous of lending money to the

merchants, required to borrow a considerable amount of gold, and made a bargain with the East India Company for a loan of £750,000, at three per cent., for seven years; and again lent money, at the same rate of interest; according to the evidence of Mr. Stuckey, before a committee of the House of Commons, concerning joint-stock banks. The *Morning Post*, of November 4, 1842, informs us, "Money is plentiful, even to a glut. Good bills are sought after for discount at two to two-and-a-half per cent. The coffers of the Bank have a greater amount of bullion than for the ten years last past." The occasional high rate of discount for short periods, during any sudden demand for gold to pay for importations of corn, cannot be adduced as any contradiction.

The directors of the dock trusts of Liverpool, in 1837, succeeded in reducing the rate of interest on the debts of their trust from five to four per cent., as appears by the following:—

"Dock Committee, Liverpool, March 10th, 1837. It was stated, that the amount of bond debts to be paid off to persons who refused to submit to a reduction of interest to four per cent. was £24,069; and that offers to lend money on security of the dock estate at four per cent. for seven years, amounted to £46,680, a portion of which only would be required."—*Liverpool Mercury*.

The corporation of Dover also, in 1843, succeeded in reducing the rate of interest on the town bonds from five to four per cent.; and numerous private individuals have made similarly advantageous arrangements with their creditors—and even, in many instances, to three per cent. Yet are yourselves, Gentlemen, and all the industrious classes of the nation, paying more than five per cent. interest upon all the loans which were advanced to the nation during the war, when the general rate of interest was two per cent. higher than at present. Thus is the nation cajoled and deceived by the delusive system of the management of loans and the public funds; by the stock speculators and all those gentlemen who are behind the scenes, and who know well beforehand when stocks are about to rise or to fall, and who therefore buy or sell accordingly. You admire a few Rothschilds, whose coffers are running over with accumulated millions, but you seem totally to forget whence have been drawn the supplies which have filled their coffers: they are the accumulated fruits of your own toils and exertions, and which you and your own families might and ought to enjoy, if you had not been too confiding in the financial wisdom and arithmetical science of your former ministers, and particularly of your Chancellors of the Exchequer.

Let us now recur to the situation of this individual who has borrowed a new sum of £100,000, at four per cent, in order to pay off his original creditors. Instead of £5000 per annum, which he originally paid as interest, he has now to pay only £4000 to his new creditors; but, having been accustomed to deduct from his rental the sum of £5000, he

now resolves—previously to the increasing his expenditure for new luxuries, in order to disencumber his estate, and for the advantage of his children—to appropriate the surplus £1000, annually, to the gradual reduction of the original debt. For the practical operation of this measure, I must request your attention to the following table, starting from the year 1849. This table is calculated according to the half-yearly payment of interest, in order to assimilate its operations more intimately with the public funds, the dividends of which are paid half-yearly. We have here the full debt of £100,000, the ancient interest upon which for the half-year, at five per cent., is £2500, from which is now to be deducted one per cent. of interest, being equal to one-fifth on the dividends, or half-yearly payments. This deduction of £500, therefore, reduces the original debt to £99,500, in July. The interest upon this is only £1990: there is now a surplus of £510, which reduces the debt to £98,990. Thus, through the whole operation, it will be seen that the amount of interest is regularly decreasing, and the surplus to be devoted towards paying off the debt is increasing. The sums in the two columns of interest and surplus being added together, will always amount to £2500—the half-yearly interest according to the first contract; and by this process the amount of £10,000 will be reduced at the following periods:—

The first	in . . .	8 years	The sixth	in . . .	3½ years
second	. . .	6½ „	seventh	. . .	2½ „
third	. . .	5 „	eighth	. . .	2½ „
fourth	. . .	4½ „	ninth	. . .	2½ „
fifth	. . .	3½ „	tenth	. . .	2 „

leaving a surplus in hand of the amount provided of £1817 at the end of the fortieth year, with the whole debt paid off, and now an extra revenue of £5000 per annum. Whether the debt be £10,000 or ten millions, or a hundred millions, the result would be the same, from the simple process of diminishing the interest one per cent., and appropriating the surplus every half year to pay off the principal, instead of its being allowed to accumulate, and to be squandered, according as any “pressing emergencies” might arise.

Now, Gentlemen, I request you to study well this proposition, in order that you may be prepared the better to decide on the measures that I shall subsequently propose to you, for the reduction of the NATIONAL DEBT.—You will be kind enough to weigh well, whether there can be any injustice in, either paying off the whole of the original debt, at the precise sum advanced by the creditor to the debtor, or, WITH THE CONSENT OF THE CREDITORS, of reducing the rate of interest, according to the price which I have shown, from authentic documents, is the market price of the day, which the daily newspapers confirm; which has been carried into practice in numerous instances by every solvent corporate body, bank, or individual in the kingdom, and which is neglected only by those who are ignorant of the market price; or by the insolvent

spendthrift who lies completely at the mercy of his creditors, and who, as they undergo the hazard of losing their capital lent, ought in justice to receive extra interest, because the expecting heir may break his neck in a steeple chase, or he shot by some *friend* for not paying his gambling debts, without ever coming into the possession of his hereditary estates.

Calculation of the proportions in which a debt of £100,000 will be diminished, by reducing the rate of interest paid upon it, from five to four per cent.; and the period when the debt will be finally paid off, by devoting to that purpose the surplus saved each half-year from the amount of £2500—being the interest previously paid at the rate of five per cent. After the year 1854, it has been thought requisite to insert the result of only each alternate year. This table presents a most important study for every land proprietor who is paying more than four per cent. on any mortgage—if there should be any one so improvident.

Date.	Debt.	Interest.	Surplus.	Remainder.
	£	£	£	£
Jan. 1849 . .	100,000	2000	500	99,500
July „ . .	99,500	1990	510	98,990
Jan. 1850 . .	98,990	1980	520	98,470
July „ . .	98,470	1969	531	97,939
Jan. 1851 . .	97,939	1959	541	97,398
July „ . .	97,398	1948	552	96,846
Jan. 1852 . .	96,846	1937	563	96,283
July „ . .	96,283	1926	574	95,709
Jan. 1853 . .	95,709	1914	586	95,123
July „ . .	95,123	1902	598	94,525
Jan. 1854 . .	94,525	1890	610	93,915
„ 1856 . .	92,012	1840	660	91,352
„ 1858 . .	89,292	1786	714	88,578
„ 1860 . .	86,348	1727	773	85,575
„ 1862 . .	83,162	1663	837	82,325
„ 1864 . .	79,712	1594	906	78,806
„ 1866 . .	75,980	1520	980	75,000
„ 1868 . .	70,940	1439	1061	70,879
„ 1870 . .	67,567	1351	1149	66,418
„ 1872 . .	62,832	1257	1243	61,589
„ 1874 . .	57,708	1154	1346	56,362
„ 1876 . .	52,161	1043	1457	50,704
„ 1878 . .	46,156	923	1577	44,579
„ 1880 . .	39,657	793	1707	37,950
„ 1882 . .	32,622	652	1848	30,774
„ 1884 . .	25,006	500	2000	23,006
„ 1886 . .	16,763	335	2185	14,598
„ 1888 . .	7,841	157	2343	5,498
„ 1889 . .	3,108	62	2438	670
July „ . .	670	13	2487	„

From £2487, surplus provided, deduct the remaining debt of £670; there will then remain, at the end of the year 1889, a surplus of £1817.

That which is just and correct on a small scale in private life, ought to be equally just and advantageous when the scale is extended to the financial operation of a nation. We may then, I think, adopt four of the principles laid down by Dr. Hamilton, in his "Enquiry into the Management of the National Debt."

"1st. The annual income of a nation consists of the united produce of its agriculture, manufactures, and commerce; and from which the public revenue, necessary for internal administration or for war, is raised.

"2nd. The amount of the revenue raised in time of peace ought to be greater than a peace establishment, and the overplus applied to the discharge of debts contracted in former wars, or reserved as a resource for the expences of future wars.

"3rd. The excess of revenue above expenditure is the only real sinking-fund, by which public debt can be discharged.

"4th. The nation, in strict justice, ought to pay no more in discharge of debt, than the sum actually borrowed, together with the interest during the time the debt subsists."

The whole debt, in round numbers, being £800,000,000, the interest and other charges upon this debt for 1848, was £28,141,531; but deducting the perquisites of office, and salaries of the commissioners of the sinking fund, we may take the interest really paid to our creditors at twenty-eight millions; let us then suppose that this sum of twenty-eight millions continue to be annually raised for a series of years, and be devoted to the payment of interest and to the gradual paying off the principal of the debt.

As I have previously shown, if one per cent. be deducted from the rate of interest in regard to a private debt of £100,000, the whole debt would be paid off in forty years, simply by the accumulation of the surplus, arising from the reduction of interest from five to four per cent., so if the interest on the national debt be reduced to four per cent. which is full one per cent. above the general rate of interest in the present day, upon any real security, the whole debt would by the same process be paid off equally in forty years. Now, surely it cannot be denied, that what is not only legal and just, but satisfactory to both debtor and creditor among the individuals of a nation, must undoubtedly also be just and legal between the national debtor and creditor; but although it cannot be denied that three per cent. is and has long been the market price of the day, and that the nation in justice ought to pay no higher rate of interest—for no individual can offer more substantial security than the public funds—yet, since this reduction from five, actually paid, to three per cent. which only ought to be paid, might be exclaimed against as too heavy a tax upon the dividends, and too great a sudden diminution in the income of indi-

viduals; and as many of the present fundholders may have purchased their stock subsequently to the year 1816; when the price was £58; since which, not only by the operations of peace, but from the miscalculations of our lords of the treasury, the stock market has been continually "looking up," until the price of the three per cent. has frequently exceeded £90 sterling; and, since this state of affairs has greatly arisen from our own negligence, let us first examine what will be the result of reducing the interest merely to four per cent.

In the following tables, the First Column contains the date of each half year, from January 1849, according to the general payment of the dividends for the first eight years; after which it has been thought requisite only to insert the result of each year.

2nd Column. The nominal amount of the debt, including the floating debt of Exchequer Bills, and the terminable annuities: this amount gradually decreases half-yearly.

3rd Column. The half-yearly interest, also gradually decreasing; being precisely three-and-a-half per cent. upon the gross NOMINAL amount, or within a fraction of six per cent. interest upon the sum ACTUALLY advanced to the nation—viz., £480,000,000.

4th Column. The proposed reduction of ONE-FIFTH of the interest; that is, from five per cent. to four per cent.

5th Column. Amount of half-yearly surplus, arising from the interest now paid being less than the amount provided; this, consequently, must gradually increase.

6th Column. Amount of total saving half-yearly, from the united sums of the two preceding columns; viz., the deduction from the interest and the surplus of money provided beyond what is now required to pay the interest.

7th Column. The amount of stock to be purchased, or paid off, half-yearly, at £70 sterling for £100 stock in the three per cents.; and the remaining stock of three-and-a-quarter per cents., &c., in the same proportions.

But, since the stocks have frequently fluctuated from £60 to £90 sterling, for £100 stock; and, according to the present system, are continually fluctuating; it will be subsequently clearly explained how this stock may all be purchased at £70 sterling for £100 stock, with the FULL CONSENT and by the VOLUNTARY ACTS of the fundholders themselves.

Date.	Nominal Debt.	Half-Yearly Interest at three-and-half on the whole Debt.	Deduction of one-fifth on Interest.	Surplus of Revenue provided.	Total Saving.	Will purchase Stock at £70.	Remainder of Debt in Stock.
	£	£	£	£	£	£	£
Jan. 1849 .	800,000,000	14,000,000	2,800,000		2,800,000	4,000,000	796,000,000
July „ .	796,000,000	13,930,000	2,786,000	70,000	2,856,000	4,080,000	791,920,000
Jan. 1850 .	791,920,000	13,858,600	2,771,720	141,400	2,913,120	4,161,600	787,758,400
July „ .	787,758,400	13,785,772	2,757,154	214,228	2,971,382	4,244,831	783,513,569
Jan. 1851 .	783,513,569	13,711,487	2,742,297	288,513	3,030,810	4,329,728	779,183,841
July „ .	779,183,841	13,635,717	2,727,143	364,283	3,091,426	4,416,323	774,767,519
Jan. 1852 .	774,767,519	13,558,432	2,711,686	441,568	3,153,254	4,504,648	770,262,871
July „ .	770,262,871	13,479,600	2,695,920	520,400	3,216,320	4,594,742	765,668,129
Jan. 1853 .	765,668,129	13,399,192	2,679,838	600,808	3,280,646	4,686,637	760,981,492
July „ .	760,981,492	13,317,176	2,663,435	682,824	3,346,259	4,780,370	756,201,122
Jan. 1854 .	756,201,122	13,233,520	2,646,704	766,480	3,413,184	4,875,977	751,325,145
July „ .	751,325,145	13,148,190	2,629,638	851,810	3,481,448	4,973,497	746,351,648
Jan. 1855 .	746,351,648	13,061,154	2,612,230	938,846	3,551,076	5,072,966	741,278,682
July „ .	741,278,682	12,972,377	2,594,475	1,027,623	3,622,098	5,174,426	736,104,256
Jan. 1856 .	736,104,256	12,881,824	2,576,364	1,118,176	3,694,540	5,277,914	730,826,342
July „ .	730,826,342	12,789,461	2,557,892	1,210,539	3,768,431	5,383,472	725,442,870
Jan. 1857 .	725,442,870	12,695,250	2,539,050	1,304,750	3,843,800	5,491,143	719,951,727
„ 1858 .	714,350,761	12,501,138	2,500,227	1,498,862	3,999,089	5,712,984	708,637,777
„ 1859 .	702,810,547	12,299,185	2,459,837	1,700,815	4,160,652	5,943,788	696,866,759
„ 1860 .	690,804,095	12,089,072	2,417,814	1,910,928	4,328,742	6,183,917	684,620,178
„ 1861 .	678,312,583	11,870,470	2,374,094	2,129,530	4,503,624	6,433,748	671,878,835
„ 1862 .	665,316,413	11,643,037	2,328,607	2,356,963	4,685,570	6,693,671	658,622,742
„ 1863 .	651,795,198	11,406,416	2,281,283	2,593,584	4,874,867	6,964,096	644,831,102
„ 1864 .	637,727,725	11,160,235	2,232,047	2,839,765	5,071,812	7,245,446	630,482,279
„ 1865 .	623,091,925	10,904,109	2,180,821	3,095,891	5,276,712	7,538,160	615,553,765

Date.	Nominal Debt.	Half-Yearly Interest at three-and-a-half on the whole Debt.	Deduction of one-fifth on Interest.	Surplus of Revenue provided.	Total Saving.	Will purchase Stock at £70.	Remainder of Debt in Stock.
	£	£	£	£	£	£	£
Jan. 1866 .	607,861,841	10,637,635	2,127,527	3,362,365	5,489,892	7,842,703	600,022,138
" 1867 .	592,022,581	10,360,395	2,072,079	3,639,605	5,711,684	8,159,548	583,863,033
" 1868 .	575,540,293	10,071,955	2,014,391	3,928,045	5,942,436	8,489,194	567,051,099
" 1869 .	558,392,121	9,771,862	1,954,372	4,228,138	6,182,510	8,832,157	549,559,964
" 1870 .	540,551,163	9,459,645	1,891,929	4,540,355	6,432,284	9,188,977	531,362,186
" 1871 .	521,989,429	9,134,815	1,826,963	4,865,185	6,692,148	9,560,211	512,429,218
" 1872 .	502,677,803	8,796,862	1,759,373	5,203,138	6,962,510	9,946,443	492,731,360
" 1873 .	482,585,986	8,445,255	1,689,051	5,554,745	7,243,796	10,348,280	472,237,706
" 1874 .	461,682,460	8,079,443	1,615,888	5,920,557	7,536,445	10,766,350	450,916,110
" 1875 .	439,934,432	7,698,853	1,539,770	6,301,147	7,840,917	11,210,310	428,733,122
" 1876 .	417,593,508	7,307,886	1,461,577	6,692,114	8,153,691	11,648,130	405,945,378
" 1877 .	394,064,285	6,896,125	1,379,225	7,103,875	8,483,100	12,118,714	381,945,571
" 1878 .	369,584,483	6,467,299	1,293,545	7,532,701	8,826,246	12,608,923	356,975,560
" 1879 .	344,115,072	6,022,014	1,204,402	7,977,986	9,182,388	13,117,697	330,997,375
" 1880 .	317,617,322	5,558,303	1,111,661	8,441,697	9,553,358	13,647,654	303,969,668
" 1881 .	290,049,062	5,075,859	1,015,171	8,924,141	9,939,312	14,199,017	275,850,045
" 1882 .	261,367,047	4,573,923	914,785	9,426,077	10,340,862	14,772,660	246,594,387
" 1883 .	231,526,276	4,051,719	810,342	9,948,281	10,758,623	15,369,461	216,156,815
" 1884 .	200,479,954	3,508,399	701,679	10,491,601	11,193,280	15,990,400	184,489,554
" 1885 .	168,179,346	2,943,139	588,627	11,056,861	11,645,488	16,636,411	151,542,935
" 1886 .	134,573,794	2,355,041	471,008	11,644,959	12,115,967	17,308,524	117,265,270
" 1887 .	99,610,576	1,743,185	348,637	12,256,815	12,605,452	18,007,788	81,602,788
" 1888 .	63,234,845	1,106,610	221,322	12,893,390	13,114,712	18,735,303	44,499,542
" 1889 .	25,389,534	444,317	88,863	13,555,683	13,644,546	19,492,208	5,897,326
July "	5,897,326	103,203	20,640	13,896,797	13,917,437	19,882,053	

Thus, in July 1889, the debt is only £5,897,326 stock, which, purchased at £70, will cost £4,128,128.

The revenue provided for the half-year is £14,000,000, which will leave a balance in hand of £9,871,872, with twenty-eight millions of annual taxation, now to be reduced.

Gentlemen will be kind enough to recollect whilst reading this calculation that, although the greater portion of the debt is nominally at **THREE** it is, in reality more than **FIVE** per cent. interest: therefore the reduction which I propose is not one pound from an income of three, but from five; or, a reduction from **FIVE** to **FOUR** per cent.

This result is upon the supposition that no taxation be immediately reduced, but the sum of twenty-eight millions be applied annually to the interest, and the gradual reduction of the debt. By this simple process, we find that the whole of this enormous debt would be paid off in **FORTY** years, leaving a surplus of no less than £9,871,872, and allowing twenty-eight millions of annual taxation to be then taken off.

If such a proceeding had been commenced in the first year after the peace, **WITH ONE HUNDRED AND TWELVE MILLIONS LESS OF EXPENDITURE** than the Lords of the Treasury have already employed, no less than **FIVE HUNDRED AND THIRTY-EIGHT MILLIONS** of the debt would have been paid off in the present year; and, instead of the impoverished nation being visited by a property and income tax, no less than **EIGHTEEN MILLIONS** of annual taxation might have been reduced. The relief given by this measure would have included the window tax, malt tax, hop duty, soap, tea, paper, advertisement duty, and numerous other taxes which different commercial and agricultural bodies have in vain prayed to be relieved from, as greatly vexatious and oppressive to the bulk of the people, and injurious to our intercourse, both commercial and political, with foreign nations; would have prevented the establishment of rival manufactories on the continent, because the capitalists of other nations confess, that if our manufactures were not saddled with thirty millions of taxation for the national debt, such are our other advantages of coals, iron, and other minerals; our insular position presenting an easy and cheap ingress for the raw material, and egress for the manufactured material from all our great towns; that it would be hopeless for other nations to contend against: our manufacturers and merchants would consequently receive better profits, and our artisans and labourers in general better wages and cheaper food, because it would have enabled our legislators to abolish the corn laws without any injury to our landowners and farmers, who would then have been placed in as favourable a position as the corn producers of any other country whatever.

But some of you, Gentlemen, may probably remark that, "However valuable the result of such a measure would be if it had been put in

operation in 1816, if now commenced, it will only pay off the debt at a distant period, and produce but little relief to those who are at present suffering the inconvenience and groaning under the burden." Of you Gentlemen who have children, whose future interests are no doubt dear to you, for whom "you rise so early and so late take rest, and eat the bread of carefulness" more frequently in the hope of supplying their increasing wants and settling them respectably in the world, than to gratify your own immediate pleasures, I would ask, Will it not be a source of high gratification for you to believe that you will leave an unencumbered estate to those dear children?—To those gentlemen who have not the same domestic ties, I may say, That a real patriot must legislate not merely for the present moment, but for a late posterity. When we erect a national edifice, we must not look to its endurance for our own short lives only, or even for those of our children: a true patriot and lover of his country must desire to see it in a condition to bear the buffet of ages. If a man labour merely for his individual benefit, the next day's cloud may destroy his fairest hopes; but, if he labour for his country's weal, he may effect the happiness of unborn ages. And the date I propose is not so very distant; for, according to the natural course of events, most persons under the age of twenty may hope to assist in the jubilee for its total extinction.

At all events, the proposition which I have made is infinitely better than an annual increase of expenditure and consequent taxation, which the parliamentary documents prove have gradually taken place since the year 1830—the *glorious epoch of the passing of the Reform Bill*, with all its rainbow tints "as bright as transient too;" when the taxation was at the lowest amount during the last thirty-four years of peace.

The ancient poets have sung about the Golden Age; the Silver Age; the Brazen Age; and the Iron Age: the present may properly be denominated the "Rail-road Age;" and almost every one is desirous of advancing not only his body and fortune, but all beneficial reforms, with Rail-road speed. Now, as this is a very laudable wish, in which I heartily participate; in order to gratify that wish as far as possible, I shall subsequently propose another means of effecting the same desirable object. But although the beneficial effects of a more immediate reduction of taxation would be accomplished by this second operation, the final extinction of the debt would be somewhat deferred. Before proceeding to this second proposition, however, let us compare the result of my first detailed plan with what has actually taken place since 1816.

(*To be continued.*)

REDUCTION OF TAXATION.

No. 5,

OF A SERIES OF LETTERS—PRICE THREEPENCE EACH—

ADDRESSED TO THE LANDOWNERS AND FARMERS; THE MANUFACTURERS AND TRADESMEN; THE MERCHANTS AND SHIP-OWNERS; AND TO ALL OTHER **TAX-PAYERS** OF THE UNITED KINGDOM—COMPRISING THE DEVELOPMENT

OF A PRACTICABLE AND EQUITABLE MEANS
OF PAYING OFF THE

NATIONAL DEBT;

THE MOST EFFECTIVE AND ONLY REMEDY FOR THE
PRESENT EVILS OF THE COUNTRY, AND TO PREVENT
THE RECURRENCE OF SIMILAR EVILS FOR THE FUTURE.

By Britannicus.

LONDON: PUBLISHED BY FRED. PITMAN, PHONETIC DEPOT, 1, QUEEN'S
HEAD PASSAGE, PATERNOSTER ROW; AND SOLD BY ALL OTHER BOOK-
SELLERS.

LETTER V.

31. Tables of the amount of the funded and unfunded Debt, with the Interest annually charged, from 1817 to 1849.—32. Proof that the sixty-three millions, hitherto employed for paying off the Debt, instead of diminishing the amount has positively increased it by £240,000,000.—33. Nature and Impolicy of the Exchequer Bills; proving a Loss to the Nation of several hundred thousand pounds annually, by the imprudent method of employing those Bills.—34. Ignorance and consequent apathy of the greater portion of the Nation, concerning the real state and operation of the Debt.—35. Frequent declaration of Ministers, "that no reduction of taxation will be granted, nor any supposed grievance be redressed, until the Nation have generally expressed their wish upon the subject."—36. Deficiency of the Reform Bill for relieving the burdens of the country.—37. The Nation continually deceived by the official misapplication of the terms—Revenue and Taxation.—38. True statement of what is really Revenue, and what is Taxation.—39. Inutility of any change of Ministers, without a complete change of financial measures.

To the Landowners and Farmers; the Manufacturers and Tradesmen; the Merchants and Shipowners; and to all other TAX PAYERS of the United Kingdom.

GENTLEMEN.

THIRTY-FOUR years of almost uninterrupted peace have now elapsed, and as good a state of commercial prosperity has been enjoyed during the greater part of it as, under the operation of our present financial system, we can reasonably hope for; yet we find the taxation levied to pay the interest of the debt nearly as burdensome as in the first year of the peace. According to the returns given in to parliament, we find the amount of funded debt, including the interest of the terminable annuities, is—

Date.	Unredeemed Debt.	Interest of Debt.	Interest of Exchequer Bills.
	£	£	£
1817	796,200,191	29,842,014	2,014,003
1818	776,742,403	29,310,454	2,165,177
1819	791,867,313	29,934,294	1,710,119
1820	794,986,481	29,785,658	2,143,476
1821	801,565,310	30,149,920	687,027
1822	795,312,767	29,985,216	1,769,219
1823	796,530,144	28,596,866	2,159,602
1824	791,701,614	29,078,570	1,385,424
1825	781,123,222	28,372,206	1,131,121
1826	778,128,267	28,267,272	1,087,284
1827	783,801,739	28,556,903	829,498
1828	777,476,892	28,389,869	831,207
1829	772,322,540	28,245,534	873,247
1830	771,251,932	28,285,900	949,430
1831	757,486,996	27,674,754	878,494
1832	755,543,884	27,658,299	793,031
1833	754,100,549	27,703,433	649,833
1834	753,238,753	27,730,939	659,165
1835	745,327,511	27,803,533	779,796
1836	760,294,554	27,765,464	691,294
1837	761,422,570	28,464,634	740,211
1838	762,275,188	28,539,310	720,928
1839	762,771,224	28,597,360	856,701
1840	764,000,000	28,738,720	642,907
1841	766,371,725	28,556,324	818,046
1842	772,169,092	28,703,110	725,009
1843	773,068,340	28,581,075	688,084
1844	772,169,092	29,963,614	531,843
1845	769,193,644	27,827,265	426,607
1846	766,672,822	27,656,555	421,432
1847	764,608,284	27,705,233	436,298
1848	772,401,851	27,763,527	480,000
Total . .		£914,232,825	£31,675,513

According to these Parliamentary Returns we find that, in 1817, the interest upon the whole debt, including the terminable annuities, was £29,842,014 and, in the year 1848, the interest and attendant taxation still is 27,763,527 a diminution of only £2,078,487

a portion of which arises from various short annuities which have fallen in.

To produce this trifling result, we see by the foregoing table that the Lords of the Treasury have expended more than NINE HUNDRED AND FOURTEEN MILLIONS to pay the interest of the funded debt, and £31,675,513 as interest of the unfunded, besides SIXTY-THREE millions to purchase up the debt; making a total of £1,008,906,338. Let us next consider what has been the effect of employing this Sixty-three Millions towards the redemption of the debt. If our loans had been negotiated according to the principles which every man of common sense, who has real security to offer, would negotiate a loan for himself, that is, to be answerable only for the precise amount of sterling money borrowed, together with the interest during the time the debt subsists; then the debt would really have been diminished by the amount of £100 for every hundred pounds paid to the creditors: but, on the contrary, this very payment of sixty-three millions has augmented the real debt by more than TWO HUNDRED MILLIONS!!

Every commercial man understands, that if there is a great abundance of any article whatever in the market, and but few purchasers, the price must necessarily decline; and, on the contrary, if but a scanty supply, and many buyers, the prices must rise. Now, from the egregiously erroneous principles upon which our loans have been contracted, the amount of this debt is subject to similar variations: therefore, in proportion as the commissioners brought gold into the market to purchase stock, they enhanced the price; regularly, as they purchased, rendering stock scarcer: so that, according to the amount of those purchases, the stock rose from £60 in 1816, to £70, £80, £90; which last has been the average since 1830: when, with the exception of a few thousand pounds, the operation of the commissioners ceased, excepting in so far as regarded the receipt of their salaries! The reform agitation in 1831 caused the stocks to fall to £76; and during 1839—40, the period of the agitation of M. Thiers, and of the export of gold for corn, they fell to £86: so that, if a new loan, the amount of which should not be subject to fluctuation, had been contracted in 1816, the three per cents. being at £60, the whole debt might have been paid off for £480,000,000, the then market price. If paid in 1820, about the period of the trial of the Queen, at £70 it would have amounted to £560,000,000; if, in 1822, at £80 to £640,000,000; and, at present, at £90, to £720,000,000.—

Recapitulation :

In 1816,	at	£60	.	.	£480,000,000
„ 1820,	„	70	.	.	560,000,000
„ 1822,	„	80	.	.	640,000,000
„ 1849,	„	90	.	.	720,000,000

This proceeding somewhat resembles the result of the efforts of our late navigators to reach the North Pole. When they had advanced so far that they thought the firm and wide-spread field of ice a-head of the vessel must be connected with the Pole itself, they launched upon this field of ice a hoat fixed upon wheels, and by the almost incredible labour of the crew, the hoat was dragged over the surface some sixty or eighty miles ; but when at last the sun permitted an observation to be taken, they found that, whilst toiling over the surface towards the north, unfortunately this field of ice was based on the sliding principle, and that an under current had drawn the whole mass some 150 miles back towards the south.

Thus, although the **NOMINAL DEBT**, according to the official documents has somewhat decreased, still the **REAL DEBT**, for which we are now answerable to our creditors, has been increased by more than £240,000,000. We may then add this amount to the previously stated result of the financial operations of ministers :—

Interest paid for funded debt	.	.	£914,233,825
Ditto, unfunded	.	.	31,675,513
Towards redemption	.	.	63,000,000
Augmentation of Debt	.	.	240,000,000
<hr/>			
Total			£1,248,909,338

The total advantage of this enormous expenditure of taxation and accumulation of debt is a reduction of interest, or annual taxation, of only £3,612,490. But by the plan that I have proposed, the sum of only twenty-eight millions would be required annually; or, for the whole thirty-two years, £896,000,000, and by which the debt would be diminished no less than £538,000,000; and the interest for the year £18,852,154. And if the extra amount of taxation, which has been expended by the Lords of the Treasury for the purposes of this debt, had been employed according to my plan, it would at £70 sterling for £100 stock have redeemed a further amount of £161,297,625 stock. Moreover, if it had been commenced in 1816, when the three per cents. were at £60; the four, at £80; and the five, at £100; at which prices my plan would have rendered them stationary; then the whole would have been gradually purchased at ten per cent. less, or £80,000,000 upon the entire debt, without one dissentient voice—except that of the mere gamblers of the Stock Exchange—and the **WHOLE DEBT** in the present year, 1849, would have stood at only **TWENTY MILLIONS**; which at three per cent. would give an interest, and demand

a tax of only £602,082 instead of the THIRTY MILLIONS of taxation which we are now forced to pay, and which is the real cause of the decline of our commerce and national power. Such a measure would have enabled the government, instead of visiting us with an income and property tax, to have reduced no less than THIRTY MILLIONS of taxation; and I may challenge all the Lords of the Treasury, with their whole staff of clerks, and all the political economists of the kingdom, to prove to the contrary.

Recapitulation:

The debt according to the table, page 62, to the end of the year 1881, being thirty-two years—equivalent to the period from 1817 to 1849—would be reduced to	£261,367,047
This being deducted from the original debt will show the amount paid off to be	538,632,953
<hr/>	
Now the Lords of the Treasury have expended during the same period for the Interest of the Debt (see page 66)	£914,232,825
Ditto, Interest of Exchequer Bills	31,675,513
Ditto, to purchase up the Debt	63,000,000
<hr/>	
Total	£1,008,908,338
But the plan I have detailed would require only £28,000,000 per annum for the same period of thirty-two years	896,000,000
<hr/>	
Which would leave a balance of	£112,908,338
<hr/>	
And if this balance were employed to purchase stock at £70, according to my proposition, it would reduce the debt still farther, by £161,297,625	
And if commenced in 1816 or 1817, when the three per cents. were £60, would have saved ten per cent. more on the whole debt of £800,000,000, or the sum of	80,000,000
<hr/>	
	£241,297,625
<hr/>	
Which further sum deducted from the £261,367,047, as above stated, would leave the debt in the present year at the amount of only	£20,069,422
<hr/>	
Upon which the interest or tax would be only	£602,082

Yet, Gentlemen, the simple, easy, just, and, I hope, intelligible means which I propose to you is precisely what every one of yourselves, as intelligent men of business, would pursue in the conduct of your own

affairs; and when the nation is paying such enormous salaries to our Lords of the Treasury, why should they not conduct our national affairs on terms equally as advantageous? Is then, I inquire of you, Gentlemen, such a reform in our financial operations worthy your consideration or not?

Another annual saving of at least £600,000 might also be immediately effected in regard to the unfunded debt. Should we not judge any individual very improvident who, possessing an income of fifty thousand per annum, regularly paid to him quarterly, should require every three months, in order to pay his butcher, grocer, and other tradesmen, to issue some six or seven thousand pounds of promissory notes, upon which he has to pay interest? Thus, although the Chancellor of the Exchequer has no less than thirteen or fourteen millions paid to him, very regularly every quarter, still he issues some £20,000,000 annually of promissory notes of exchequer and navy bills to pay the national creditors and public servants. Let us consider on what terms, for whose profit, and for what purpose, these hills are issued. First, they are given—in bills of £100, £1000, or of larger amount—to the Bank of England, some private bankers, and other capitalists; who give in exchange—what? Gold and silver? By no means; that would be too inconvenient to transport; but *paper of inferior value*, though in more convenient sums of £5, £10, or £20 notes of the Bank of England, or some other private bank; for, although the BANK OF ENGLAND sounds very magnificently—an ideal sublimity—it is, after all, but a private company, the same as any other joint-stock bank.

The exchequer hills are then deposited in the iron chests of these capitalists, which do not resemble the profitless chest of the Chancellor of the Exchequer; but in these private chests the exchequer bills fructify and daily increase in value, at first, at the rate of 1*d.* or 1½*d.* per diem for £100. Here for a short time they repose, germinating slowly, whilst the bank notes which have been given in exchange are wearing, tearing, and frequently lost or destroyed, to the great profit of the bankers. After a time, capitalists find an opportunity of lending money to individuals at a greater interest. First, a few paragraphs appear in the various newspapers, “of the merchants requiring greater facility in discounts; but the Bank of England has so much money locked up in the dead weight and exchequer bills that it is not able to lend so much assistance as the demand requires.” There is then, from “*our own correspondent*,” a great call for the Chancellor of the Exchequer “to relieve or give buoyancy to the money market, by increasing the rate of interest on the exchequer hills, to enable the bank to bring some into the market.” A deputation of “influential men,” wishing to extend their speculations, waits on the Chancellor, who is fortunately saved the embarrassment of hearing the two sides of the question, for the unfortunate manufacturers,

farmers, and other working tax-payers have then no advocate at the council board; and the Right Hon. Gentleman clearly sees that it is *perfectly right and beneficial* to the commercial interests to increase the rate of interest to 2*d.* or 3*d.* per diem, per £100. Immediately the premium on the bills mounts up, and the original holders sell off a considerable amount at a handsome profit; and the Chancellor is lauded greatly, as a man of high sagacity and just decision, for thus relieving the market, increasing the profits of the bankers, and, by his own will and pleasure, thus laying on a tax upon the nation of about £300,000, without any reference to the House of Commons—the constitutional imposers of taxation. Yet, if an equal amount of £300,000 had, by a vote of the House of Commons, been devoted to the services of our naval defenders, or for the payment of ten or twelve thousand of our army, for a whole twelvemonth, what an outcry we should have heard from some of our reforming economists! Let us further consider that this tax is equal to *three-fifths* of the whole amount charged for annuities and pensions for civil, naval, military, and judicial services, against which so many public meetings have been called, and petitions signed. Yet this £300,000 taxation, imposed by the sole will of an individual for the profit of a few speculators, scarcely excites a passing remark from one or two of the public journals.

The *Morning Chronicle*, May 21, (one of the usual supporters of the Chancellor of the Exchequer,) says:—"On the subject of the interest of the Exchequer Bills, it is much regretted in the city that the Chancellor of the Exchequer should not have rendered a more satisfactory explanation to the house. The interest was raised early in 1837, at the instance, it is said, and almost at the command, of the directors of the Bank of England, for no other reason than that they were heavy holders of these securities and did not think proper to sell any part of their investment at a moderate profit. Having broken down the American trade, and brought on the panic of 1836-7, these monopolists refused to remedy the deficiency of money and of credit which had been caused by themselves, unless hundreds of thousands of the public money should be wasted in paying a needlessly high rate of interest upon exchequer bills. But, however unjust may have been the first demand of the Bank of England, there has certainly been nothing in the state of the money market, or of trade, or credit in general, to justify a continuance of the additional interest, or of any part of it, for the last twelve months. Little less than a million of money has thus been wasted, and estimating on the other hand the reduction which the value of money might have made, it follows that almost double that amount has been lost by Mr. Spring Rice in the unaccountable mismanagement of the interest upon the floating debt."

Next, for what purpose is it asserted to be requisite to issue these promissory notes?—"To pay the creditors of the National Debt, the high

officials of the State, the army and navy, half-pay and pensions, the judges, commissioners, &c., &c." Why should not all those gentlemen, who enjoy their thousands quarterly, receive their salaries in £100 or even £50 notes, without any additional interest—for it is not probable that they have expended every shilling of their previous quarter's salary, and are without credit with their tradesmen—precisely on quarter day. They might therefore reserve them for a time in their private coffers, just as well as locking up the notes of any private or joint-stock bank, without receiving interest upon them: or deposit them at their bankers, as security for the amount of any checks they might require to draw, and every hanker would be happy to receive such valuable security.

For those gentlemen who receive smaller salaries, why should not the Treasury issue notes of £20, or even £10, which may be paid in, throughout the whole country, to the collectors of customs, of excise, and other collectors of taxes, who would again pay them to the Receiver-General, to the Chancellor of the Exchequer, or to his agent—the Bank of England? Now, why should not a bond upon the whole live and dead stock, and all the land in the kingdom, be just as valuable as the promissory note of any private hanker or joint-stock bank, for the use of whose paper so many persons are happy to *PAY* rather than *receive* interest for circulating? Thus, instead of a constant succession of exchequer in-aid bills, let all payments be made in these exchequer bills of various amounts, which might be renewed and re-issued as may be required; for every tradesman would be happy to cash them for his customers, in the same manner as he now does the Bank of England notes. In England, where we have no paper less than five-pound notes, the average weekly or daily receipt of tradesmen is half gold, half notes. In Scotland, where one-pound notes abound, the proportion of gold received is not one-fourth. Thus, all tradesmen, as well as private individuals, have always a great proportion of their balances in hand, in the form of promissory notes, **BEARING NO INTEREST**. They would surely all, if not prefer, at least willingly receive, government paper equally without interest. Such an arrangement would immediately save several hundred thousand pounds per annum; and since there is an agent for the Treasury, in the shape of a tax collector of some branch of revenue, in every parish in the kingdom, they would be generally esteemed throughout the country as the best medium of making payment, until a better arrangement of the public debt should enable the Chancellor of the Exchequer to withdraw the whole from circulation. If, in the mean time, he be very hard pressed; the various receivers of taxes might be required to remit their balances monthly, which, by not leaving such large sums of money in their hands, would probably prevent so much defalcation as frequently takes place in the public accounts. But this simple arrangement might probably not suit the speculators who control the judgment of the Chancellor of the

Exchequer. But is the safety of the whole nation to be hazarded for their profit ?

Although the officers and privates of the army, on home service, receive prompt payment every month ; still, when on foreign service, they are not always so regularly paid to the day ; and the navy payments are frequently considerably deferred : therefore the army and navy agents would feel no inconvenience, particularly if it be understood that all bills carried into the Treasury, at the expiration of one quarter after being issued, should be then paid—as the Chancellor would, by that time, have received his balances from the various receivers of taxes ; and, as the exchequer bills at present average five millions per quarter, and his receipts of revenue average thirteen millions per quarter, he would always have, for urgent cases, no less than eight millions of hard cash ; or—of what is frequently preferred as more portable—Bank of England soft paper ; and, by the general estimates, the army and navy require only three millions per quarter ; even of this sum a considerable portion has to be paid to various contractors for provisions, accoutrements, and the other materiel for war and shipbuilding, all which might certainly be satisfactorily paid by these bills without interest. For there are very few banks of issue in the kingdom in the habit of charging any discount upon a bill at a month of a half-pay officer upon his London agent ; for, when accepted, they are considered as good as bank paper.

In order effectually to prevent such a system of forgery as appears to have been carried on during ten years, by Mr. Beaumont Smith and his associates, the larger bills might always be indorsed by the persons through whose hands they pass. This is generally required to be done on a bank note if paid in at the General Post Office, or at any shop where the customer is not well known, and could be no great inconvenience, as these larger notes would circulate through very few hands.

The great delusion which generally prevails is—that this *national* debt does not concern *individuals*, but is merely the affair of government ; and the remark frequently made is : “ Oh ! but the National Debt is the affair of the nation ; we, as individuals, have plenty to do to attend to our own private concerns.” As if the nation were composed of masses of land and water ; and, as if the trees and stones, the valleys and the mountains, were the poor suffering tax-payers, which ought to meet together and hold council concerning the public debt ; and, as if it were not the affair of every individual in the nation who is forced to pay nearly thirty pounds in taxation for every hundred pounds he gains by any exertion of his intellectual or physical powers, solely to pay the interest of this National Debt. Now, surely it is a subject of intense individual interest, if it can be proved, that, if the electors and industrious classes in general, who are suffering under this oppression, can be induced properly to exert themselves, this burdensome and injurious taxation may be saved

for the individual benefit of themselves and their families. The delusion, ignorance, and apathy concerning this debt and its consequences are the more extraordinary, since, if a new rail-road, or any other joint-stock speculation he proposed to the public, offering an interest of ten, or of only five per cent., numerous claimants for shares instantly press forward, eager to employ their capital to such prospective advantage; but here is an assured interest of thirty per cent. to every individual in the nation, without any call for or the hazard of one shilling of capital, and only requiring a little reflection and exertion on the part of the public to obtain it; yet scarcely has any person hitherto thought it worthy his consideration.

Yet we have been told by the nobleman, who for several years held the important post of prime minister of these realms, that "no efficient measure for the welfare of the whole people will be introduced, without it he previously agitated by the people themselves." In the debate on the address to her Majesty, August 24th, Lord Melbourne "lamented the irritation which had accompanied the agitation of the Corn Laws, but it was only at such a price (agitation) that any great measure would ever be carried." And his Grace the Duke of Wellington, although he did not fully coincide in that sentiment, still remarked, that "In all great questions of important alterations in the finances, commerce, trade and currency, in which he had been concerned, previously to the discussion of these subjects, *previously to an opinion being asked of the House, Parliament and the country* had the means, by preliminary inquiries, of judging of the question to be propounded by the Government; by such means the public became acquainted with the nature of the great changes to be proposed."

It has further been frequently observed in the House of Commons, by the Chancellor of the Exchequer, the Attorney-General, or by some other leading member of the Government, whenever any member of the House has brought forward any motion for the reform of any alleged abuse which affected the public, or for the remission of any tax—"But has the hon. member any number of petitions to present on the subject! Since the people in general *have not yet expressed their opinions*, I hope that the hon. member will not press his motion to a division."

Another great mistake that exists in the minds of many electors is, that the Reform Bill, having once received the sanction of the legislature, the whole machinery would work well and spontaneously, and produce the hoped-for beneficial results. As well might the farmer suppose that, having once bought a plough, a harrow, drill, and the other requisite implements, these would work of their own accord, and bring his harvests home to his granary. But the Reform Bill is not even the machinery; it comprises but the theory and directions to provide a supposed better machinery than heretofore. The reformed House of Commons, municipal

corporations and magistracy, are but the intellectual machinery to perform the work and produce the harvest for the general enjoyment. New members of parliament, of the cabinet council, or other high offices of the state, and of municipal corporations, have not been chosen merely to feast and fatten themselves, their families, and dependants, upon the loaves and fishes, the turtle and venison displayed on the tables whence their predecessors have been driven. But, without the intelligent part of the public look a little better after their own interests, and not trust implicitly to the correct working of the new machinery, or in any changes of the administration, most assuredly in such feasting, and in the enjoyment of commissionerships, places, and retiring pensions, transferred to another class of influential families, will end the great benefit of the Reform Bill, and of the successive changes in the executive. The great outcry of the nation was, "The Bill, the whole Bill, and *nothing but the Bill!*" They have unfortunately obtained their wish, for as yet they have truly received nothing but the bill; and, during the last ten years, the taxation to pay the interest of the National Debt has been annually increasing from £27,658,299 to occasionally £29,439,000; and, notwithstanding additional taxation, and extra rigour exerted in the collection, the expenditure during several years frequently exceeded the income; and a reforming ministry left an accumulation of more than eleven millions of extra expenditure to be laid on in fresh taxation, when Sir Robert Peel was recalled to office. And the gloom of insolvency and starvation has frequently been brooding over all our manufacturing population.

The fruit that the great body of the people expected, and which they had a right to have received long since, was a considerable diminution of our annual general taxation, in order that not only the bare necessities, but the comforts of existence, should be placed within the grasp of every industrious operative and labourer in the kingdom. Among numerous instances of the general feeling and expectation of the people, a practical example was afforded at a late election for Lancashire: the candidates were met at Leigh by a procession of the electors, who entered the town under a sort of triumphal arch, from which a large loaf of bread was suspended. One of the operatives thus accosted the candidate: "Mester, d'un yow zee that? We want a big loaf for our hrass." But this prospective good has, like the rainbow, receded as we pursued, and ever mocked our grasp.

Now, as I purpose to confine my reasoning and subsequent propositions strictly to matters of finance, I have carefully studied the claims which occasionally went the round of those newspapers favourable to the reform ministry, in order to influence the electors to show their gratitude to those candidates who professed to be reformers; and we find that, however complicated the machinery may be to arrive at the end, still, that the end and object of all the measures which had been passed—with the exception of

the abolition of slavery, the mitigation of the criminal law, and those on national education—were pecuniary: the prominent claims which the Reform Chancellor of the Exchequer, the Rt. Hon. Mr. Spring Rice (Lord Monteagle), is reported to have brought before the electors of Cambridge were: "When Christmas and the cold winds should remind them of the comforts of a warm hearth, they would do well to think that it was the Whig Ministers who relieved the fuel from taxation; if again, as the hours of night and heaviness approach, when they returned home to their families, with joy at the thought of beholding their wives and children in domestic comfort, they would reflect that it was by the light of a candle that they saw them—a candle taxed by the Tories, but relieved from that tax by the present Government. Young men, if they were possessed of a sweetheart, whom they wish to please by the purchase of a new gown, would think again that they bought it at a price much reduced by the Whig Government, though taxed by the Tories." Although the fallacy of these eloquent claims will be subsequently proved, and that this diminution of prices has been caused by the diminution of the profits of the manufacturers, and of the wages of the operatives; still, since it appears acknowledged by all parties—by ministers and peasants—that the great object of the Reform Bill WAS the reduction of taxation, what, it may be fairly inquired, IS the total amount of the burdens already removed; or of several others which have been repeatedly but ineffectually petitioned for, to be removed—as the reduction of duties on wool, cotton, olive oil, soap, marine insurances, tobacco, windows, paper, and numerous other articles; or by the abolition of church rates, state pensions, and sinecures—these would all be but so many bucketsfull compared to the ocean of the National Debt taxation; all this, if granted, would be but lopping off a few of the infectious branches of the poison tree. Moreover, how is it possible that any tax whatever can be abolished, WITHOUT SOME OTHER TAX OF EQUAL AMOUNT BE IMPOSED, until the National Debt, and the thirty millions sterling per annum, to pay the interest, be first reduced?

In order to show the fallacy of any such expectations, as well as the fallacy of the statement of the former Chancellor of the Exchequer, (Mr. Spring Rice,) before the electors of Cambridge; and of a subsequent Chancellor of the Exchequer, (Mr. Baring,) during the debates on an address to her Majesty; let us examine the real facts.

Mr. Baring stated, "that, in 1831, the REVENUE was £51,112,000, and, since that year, SIX MILLIONS OF TAXES had been taken off; but, in 1839, the REVENUE had not fallen off, but had risen to £51,927,000!" Thus are the public cajoled, by official men ringing the changes upon TAXATION and REVENUE, in hopes of gaining a little momentary applause from unthinking auditors. Now, however such a statement might be excused from a candidate anxious to secure his seat, by hook or by

crook, by truth or by fallacy, when addressing such a multitude as is generally assembled in front of a hustings—and this statement was pretty generally employed by the reform candidates—it is surely unworthy of the dignity of the House, and an insult to the common sense of the nation, when gravely uttered by a minister.

If a steward, by superior management, conducts the affairs of an estate so that the revenue to his lord is increased, and the tenants not oppressed, he is certainly commendable; but, if when a tenant complains, that, from the neglect of the steward, in not making those repairs to his outbuildings which by his contract he was bound to have done, they had become unserviceable, and for this the steward deduct £5 from the rent, he does what is just. But if, immediately after, he finds that, by the exertion of the tenant, he has greatly improved the custom of his shop, and at considerable expense improved the front of the house; then, if the steward observes: “But the property is so much more valuable in front, that you must pay *ten* pounds extra rent for that.” Or, if when a farmer complains, that his pasture lands, which he is not allowed to break up, are greatly deteriorated of late years, and the steward agree to a diminution of rent upon them; but, at the same time observes, that by additional draining, and by superior skill and labour, the farmer has greatly improved his arable lands, so he consents to deduct 5s. per acre from the rent for the pasture lands, but adds 10s. per acre for the arable lands; and, after this, if he boasts, that he has reduced the GENERAL burden of rent to the two tenants, does he state what is correct or not? and is he entitled to their gratitude? Now, this is precisely what your Chancellors of the Exchequer have done, for which they claim the gratitude of the nation. If this additional REVENUE were raised by the science of ministers discovering some procedure which would cause two ears of corn to grow where only one grew before, without exacting *double labour* from the operative farmer, then we might heartily call out, “Bravo!” But whence do they derive this additional REVENUE? They have reduced the taxation upon those articles that were no longer productive, on account of that taxation; but they have increased it upon those articles upon which they thought it might with more certainty be procured, from the improvements which your own skill and industry had made, by the additional exercise of your mental powers, or the greater exhaustion of your nerves and muscles.

Now, although the house of Baring, Brothers, and Co., and some other great commercial and banking houses save *several thousands* per annum, and the poor man some 2s. or 3s. by the alteration of the postage duties—a most valuable and agreeable alteration for myself, I confess—still, if the successive chancellors, to make up the Revenue, were in consequence obliged to impose an additional tax of ten per cent. on all the assessed taxes, and five per cent. upon all excise articles, followed up by a property

and income tax ; those must each, equally, according to their expenditure, assist to make up the deficiency. The rich, by extra taxation on their horses, carriages, servants, windows, their letter paper, and general expenditure ; and the poor man by occasionally abridging himself of a pint of beer, by washing his hands without soap, or extinguishing his candle half-an-hour sooner of a night, that candle which had been "*taxed* by the Tories," *untaxed* and *retaxed* by the Whigs.

Since these terms of *revenue* and *taxation* are so frequently played upon and made to change places, accordingly as each party may wish to discredit their opponents, and laud their own financial wisdom. Let us examine what really is **REVENUE**, and what is **TAXATION**.

Abstract of the **NET Produce of the Revenue of Great Britain**, ending July 5th, 1849.

REVENUE.

Crown Lands	£130,000	
Post Office	849,000	
Received from China	84,284	
	<hr/>	1,063,284

TAXATION.

Customs	£18,810,774	
Excise	12,196,913	
Stamps	6,103,408	
Land and Assessed Taxes	4,339,500	
Property and Income Tax	5,362,083	
Miscellaneous	204,564	
Imprest and other Moneys	606,568	
Repayments of Advances	511,789	
	<hr/>	48,135,599

Total Net 49,198,883

Additional Taxation, to pay the charge of

Collection, not returned to the Exche-

quer 4,727,465

Total Taxation and Revenue £53,926,348

Thus, the total amount which can possibly be reckoned as **REVENUE** is only £1,063,284 ; whilst the **TAXATION** for 1849 is no less than £52,863,064!!!

Now, although the official terms introduced in the darker ages have been preserved by successive Chancellors of the Exchequer ; surely, in these more enlightened times of national education, a **REFORM** Government might have spoken plain English. Let us then take the literal reading. Mr. Baring stated, "that the annual **TAXATION** in 1831, when

the Reform Ministry succeeded to office, amounted to £51,112,000, and since that year no less than SIX MILLIONS OF TAXES had been taken off. Yet, in 1839, the TAXATION had not fallen off; but, on the contrary, had risen to £51,927,000. Then, every schoolboy, who had advanced as far as subtraction, could have refuted the right hon. gentleman, by calculating how much would remain after subtracting six millions from fifty-one millions. $£51,112,000 - £6,000,000 = £45,112,000$.

The right hon. gentleman ought to have honestly stated: "That in consequence of numerous petitions presented to the House, the Government had endeavoured to alleviate the grievance complained of, by various CHANGES in the duties, from those articles which appeared to weigh the heaviest upon the general commerce of the kingdom, and upon the comfort of individuals, to other articles on which it was hoped the taxes would not be found so onerous; but, although these *changes* had been effected to the amount of six millions, still the necessary expenses of the kingdom, and the interest on the National Debt had obliged them to increase the general TAXATION by the sum of £815,000; and, notwithstanding this increase of £815,000, he was sorry further to inform the honourable house, that there was a deficiency of receipts below expenditure during the preceding year, 1838, of £1,430,325, which must be made up by additional taxation, as soon as he could clearly understand what objects and what persons would best bear the burden."

I confess that I am too ignorant of the feelings which influence the words of some public men, to explain satisfactorily the motives which could induce any gentleman of arithmetical science, general commercial knowledge, ample private fortune, and distinguished station in society, to prefer the momentary gratification of the *cheers* of his party in the House, given for what is surely a fallacious statement, to the solid and permanent delight arising from ever possessing "*mens sibi conscia recti*." But I must particularly impress upon my readers that, in thus naming one speech and one individual, I do not mean to confine my remarks individually; but it is the *whole system*, the general practice and technical language of men in office which are faulty. Each successive Chancellor of the Exchequer, when he comes into office, puts on the harness of his predecessor, and immediately finds himself like a horse in a mill, confined by bars and other impediments, which force him to move round and round in the course which his predecessors have trodden, and from which it appears he cannot free himself without the active assistance of the intelligent and reflecting electors of the nation—the pressure from without.

Allow me, Gentlemen, to state a somewhat parallel case, which may be comprehended by the plainest understanding. Suppose that it had been the practice of government to levy the whole taxation upon five articles of apparel, thought to be absolutely indispensable to be worn by every inhabitant—hat, coat, waistcoat, stockings, and shoes—and that the tax

upon each was one shilling per annum. It is found, after a time, that some persons dispense with the wearing of stockings; others, like some of the northern lads and lassies, even with their shoes; some line their coats warmer, button them to the throat, and put aside the waistcoats; numerous petitions are presented to the honourable House, stating the hardship of so many persons being forced to go without shoe or stocking. The Chancellor finds the Revenue falling off; therefore, looking forward to a future reimbursement, he magniloquently and generously states that, in compliance with the prayer of the petitioners, he consents to abandon the taxation on those articles so indispensable to the comfort of the poor man—and reduces the individual taxation to the amount of two shillings; but, the subsequent quarter, he lays on a taxation upon both the raw and manufactured materials of wool and leather, from which the mass of the people cannot escape, without they go naked. The tailor and shoemaker now get all the abuse for asking so much more extravagant prices than the French or Belgian tailors and shoemakers, and the Chancellor gets the *cheers*. But, when he thus levies half-a-crown on the general population for every two shillings he has taken off—is he really entitled to our *cheers*?

It will be in vain that we change the denomination of our cabinet council, and our legislators, nearly similar measures will ever be pursued by men in power, by whatever party-title they may designate themselves; and all the evils of which we have now to complain must continue to afflict the nation, and even to augment from year to year; for the reduction of the National Debt and of the accompanying taxation has never yet been, and will never be, fairly and efficiently undertaken by any administration whatever; without the intellectual portion of the nation, who are engaged in commerce and other productive occupation—and are therefore uninfluenced by the hopes of places and pensions; of ships and regiments; of promotions and ribbons; of rectories, prebends, and bishopricks; of receiverships and commissionerships; and retiring pensions—and who well understand arithmetical calculations, will actively devote a portion of their time, taken from their private affairs, to become the unpaid Patriotic Auditors of the Public Accounts; to watch over and control the expenditure, and diminish the burden of more than fifty millions of taxation. The task has now become comparatively easy, from the clearer statements that are now published annually, by command of the legislature, under the care of Mr. Porter.

(To be continued.)

REDUCTION OF TAXATION.

No. 6,

OF A SERIES OF LETTERS—PRICE THREEPENCE EACH—

ADDRESSED TO THE LANDOWNERS AND FARMERS; THE MANUFACTURERS AND TRADESMEN; THE MERCHANTS AND SHIP-OWNERS; AND TO ALL OTHER **TAX-PAYERS** OF THE UNITED KINGDOM——COMPRISING THE DEVELOPMENT

OF A PRACTICABLE AND EQUITABLE MEANS
OF PAYING OFF THE

NATIONAL DEBT;

THE MOST EFFECTIVE AND ONLY REMEDY FOR THE
PRESENT EVILS OF THE COUNTRY, AND TO PREVENT
THE RECURRENCE OF SIMILAR EVILS FOR THE FUTURE.

By Britannicus.

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HEAD PASSAGE, PATERNOSTER ROW; AND SOLD BY ALL OTHER BOOK-
SELLERS.

LETTER VI.

40. Who are the persons oppressed by the Tax?—and who therefore ought to petition, and exert their energies for redress?—41. Interest and Duty of the various Chambers of Commerce, to superintend the National Taxation and Expenditure.—42. Erroneous system on which all loans have been contracted—being both extremely injurious to the national prosperity, and frequently destructive of private fortunes.—43. True cause of the panic of 1825.—44. Means of preventing similar panics.—45. Inutility and folly of petitioning for the removal of any individual tax, producing a few hundred thousand pounds, and leaving the thirty millions of Taxation for the Interest of the Debt untouched.—46. Proposed new loan at 4 per cent. to receive always £100 sterling for £100 stock; and the Nation always to be answerable for £100 sterling, whatever may be the state of the money market, as in every transaction between individuals where the borrower is perfectly solvent.—47. Easy conversion, and means of inducing the fundholders to consent to the conversion, of the whole of the uncertain fluctuating debt of £800,000,000, into a fixed and certain debt of £560,000,000, allowing a bonus of 10 per cent. upon the real amount of money borrowed, which was only £480,000,000, and allowing an IMMEDIATE reduction of taxation.—48. Calculation of the half-yearly reduction of the Debt, when the whole shall have been converted into 4 per cent. Fixed Stock—proper periods for the reduction of Interest and Taxation, and for the final extinction of Debt.

To the Landowners and Farmers ; the Manufacturers and Tradesmen ; the Merchants and Shipowners ; and to all other TAX PAYERS of the United Kingdom.

GENTLEMEN.

BESIDES, granting that all public men, however their ideas may differ from our own, are all actuated by the most patriotic and honest intentions, no set of ministers are "heaven-born" and omniscient: they are but your own public servants, whom you have delighted to honour, and therefore whose conduct you have ever a right to criticize, and, if you can, to amend. This doctrine of the superintendence by the electors has ever been ardently promulgated by each party whilst out of power, and established by repeated examples of late years; for, amongst numerous similar instances, even when no idea was entertained of a new election, did not one of our great officials—Sir Henry Parnell—take a voyage to the north, to put himself on trial for his parliamentary conduct before the weavers of Dundee? Did not the son of one of our noble dukes, and himself formerly governor-general—almost absolute sovereign—in the East Indies, make a similar journey in order to submit his parliamentary conduct to a jury of the merchants and manufacturers of Glasgow? And, in the report of a speech of a late Right Hon. Chancellor of the Exchequer to the electors of Cambridge, we read, "They were now approaching the seventh year since Lord Grey first undertook the administration of affairs: they were now approaching that period which the artisan of this country adopts as the term of an apprenticeship. If I have served you during those seven years honestly and faithfully; if I have zealously fulfilled my duty, receive me again among you: DO NOT CAST ME FORTH AS AN INDOLENT SERVANT, who has abandoned his trust!" Did not, also, the electors of Edinburgh recently displace from the high official situations of Cabinet Minister and Paymaster to the Forces, one of the most eloquent orators and historians of the age, because he had given a vote contrary to the sentiments of the majority of his constituents?

But examples need not be multiplied, since this superintendence by the electors is established by law, as the grand palladium of the liberties of the people, and is continually acknowledged by all our sovereigns in succession, who, when in doubt concerning the wisdom of the proceedings of ministers, constantly appeal to the people to decide. Who, I may ask, called Lord Grey and Lord Melbourne to power? Was it not the electors of the empire?—Who, dissatisfied with the measures of the reform parliament, recalled Sir Robert Peel and the conservatives to power? The electors of the nation.—Some of the most ardent supporters of the reform ministry strongly insisted "that the ministry itself should be controlled and kept in unison and tune with the minds of the people." And Lord Suffield, on seconding the address to his late Majesty, in a former

parliament, said, "It was not in the power of their Lordships, nor of any assembly in this country, to stay the current of public opinion. It was time that many considerable reforms had been effected. If they resisted the Public Voice, the contest would be one in which right, justice, numbers, strength, and activity were all on one side." Now, upon this declaration of the noble lord—who, in this instance, was put forward as the organ of his Majesty's ministry—let us try our present question.

1st. *Right.* Is it right, is it justice, that the merchant, the manufacturer, the agriculturist, and all the industrious classes of the nation, should continue to pay upwards of thirty millions of taxes annually, merely to support the fundholders, so many thousands of whom expend those millions in a foreign land, to the injury of this nation; and for the speculators of the stock-exchange, by whose interested movements your commerce is so frequently put into jeopardy, and who, to produce a change in the price of stocks for their own advantage, so often threaten a panic?

2nd. As to *Numbers.* The industrious population, who are oppressed by this enormous taxation, comprises TWENTY-SIX MILLIONS of people; the *bonâ fide* fundholders, according to the parliamentary returns, cannot exceed 200,000 persons. Now, if new roads, canals, streets, or any other improvements are required for the benefit of the public, then individuals are obliged to put up with inconvenience and suffer pecuniary loss for the advantage of the public. When it was found that travelling by railroads would be safer and more expeditious than on macadamized roads, no recompense was given to the creditors and trustees of the old roads; excepting to some influential proprietors of land, who received four times the value of their interests or property, to buy off their opposition in parliament: nor to the thousands of coach-proprietors, harness-makers, coachmen, guards, innkeepers, horsekeepers, and numerous other dependants upon the old system; many of whom were instantly reduced from the receipt of comfortable incomes to positive deprivation of all income. To take one among many similar examples:—Before the opening of the rail-road, the tolls at Swinburne were let for £1992; and, at a subsequent letting, for only £654—a diminution of more than two-thirds. Much property in inns, shops, and houses, in the old lines of road, has suffered proportionate reductions.

When it was judged that "*the bill, the whole bill,*" would be beneficial to the nation, you did not hesitate to deprive many of the aristocracy of property that was estimated at many thousand pounds value, and which had either been purchased by themselves, or had descended to them as hereditary wealth, by the sanction of the laws of the kingdom; thus, individuals must ever suffer for the public good. Therefore, why should the fancied interests of these 200,000 fundholders impede the alleviation of the burdens which oppress the twenty-six millions? I say FANCIED

interests ; for my plan proposes to return to them the full amount of sterling money that was originally lent to the nation, with a bonus of ten per cent., and which they may then invest in some other lucrative concern. By subsequent facts and reasoning, I hope to prove that my proposition will be equally beneficial to the REAL fundholders as to the other taxpayers.

3rd. It cannot be denied that the *Strength* is with the millions ; but if the millions be supine, and allow merely the gamblers of the stock exchange to be active—for it is not the general body of real fundholders who cause, and profit by, the eternal ebb and flow in the public funds—why, then, most assuredly the supine, wilfully ignorant, and indolent millions must crouch and groan ignominiously under this taxation.

Mr. Pitt undoubtedly possessed the acutest talent possible for imagining the most effective means of making his countrymen contribute their utmost farthing towards the public service ; yet, although he is entitled to the highest commendation for the strictest integrity and abnegation of self in pecuniary matters, still, his whole system of loans, particularly the delusive practice of borrowing at three per cent. instead of five, was equally injurious to the prosperity of the nation, as the post-obit bonds of the minor spendthrift and gambler are to the future fortunes of himself and his family, when he gives to some usurer a bond for £2000 in exchange for only one thousand actually advanced. It is true, that this erroneous system did not originate with Mr. Pitt ; it was imported from Holland and Genoa, and is pursued by most other governments ; but it was originally planned by the money lenders, in order to secure to themselves enormous profits, to the ruin of any individual or nation that should be so desperate and so ignorant as to borrow on such terms. In corroboration of this assertion, let any unprejudiced person examine the terms of the loan for April 1798 (page 53), when, for less than £100 sterling received into the Exchequer, we are now burdened with a debt of £200!!

The same practice, so injurious to the nation in every respect, was continued by the successors of Mr. Pitt ; as we find that the loan for June 1815, of £36,000,000, was contracted at

Reduced three per cents.	£130
Three per cent. Consols	44
Four per cents.	10
	—
Total of	£184

stock for only £100 sterling received. This stock immediately rose to four per cent. premium, giving to the contractors, before advancing the principal part of the money, a premium of one million four hundred and forty thousand pounds, under the burden of which our manufacturers and all tax-payers are now suffering!!

As examples of the disastrous consequences which may befall the nation by the arrangement of the funds permitting such fluctuations, and the temptation that it holds out to individuals in power, or to great capitalists, to injure the whole nation for the sake of effecting private gain, we may mention the events of 1825 and 1839. In the latter year, when the then Minister of France was accused by several of the Paris journals, and, at length by M. Dupin, in the Chamber of Deputies, of having uttered his inflammatory speeches, raised the war-cry in France, and nearly brought on a continental war, with all its horrors, chiefly for himself to profit by; at least, that he had greatly profited by the fluctuation in the public funds; and that, from being previously acquainted with the effect which must be produced by the forthcoming royal or ministerial ordonnances, he had pocketed more than £100,000 sterling; or, about £80,000 on the French Bourse, and £40,000 on the English Stock Exchange. All the reply which the French Minister thought requisite to make, was: "Well, M. Dupin, you did the same when you had the power!" Now, although not a whisper has ever been heard against any of our ministers for similar conduct; and, although among the inferior officers, only a few Trotters and Beaumont Smiths have been proved to have employed the public money for such purposes, still the *public*, or rather the *official knowledge*, may be employed; and, therefore, the power exists with many of the subaltern clerks, from their previous knowledge of the numerous circumstances that must raise or depress the funds; therefore, either by themselves, or by their friends, they possess the power of gambling with loaded dice, to the great injury of unsuspecting individuals; and further, the power, not only of ruining individuals, but of bringing on the most fatal consequences to our commerce and to the best interests of the nation, exists with a few great capitalists and stockjobbers. As a signal example, I may quote the panic of 1825-6. In the commencement of the year there was a calm in the money market, which, to a stock speculator, is as unpleasant and unprofitable as a calm between the tropics to a mariner in a sailing vessel, and the foreign exchanges were unfavourable to the English capitalists. It was agreed among a few of these gentlemen to export a large quantity of the precious metals to their connexions on the continent, from whom they could receive it back again when the results, which it was supposed would arise therefrom, should be attained. It was presumed, that such an exportation, by draining the Bank coffers, would alarm the directors, and occasion them to contract their issues. That this would, in the first place, influence the exchanges, of which circumstance these capitalists could avail themselves: in the second, from the sale of Stock and Exchequer Bills, and the calling in of money lent on other securities, in order to effect the purchase of the bullion, the funds in general would decline: and thirdly, the Bank Directors would be placed at their mercy, when they could make their own terms with the Bank for

the return of the gold and silver thus previously sent out of the kingdom ; and, ultimately, they would be enabled to re-purchase the stocks at greatly reduced prices to what they had previously sold out. In pursuance of this arrangement, (as may be seen by the returns of bullion exported weekly, given in the journals during the year,) the amount of nine millions was gradually exported ; ostensibly, preparatory to a loan about to be contracted by the French Government ; and, according to the evidence of Mr. Rothschild, before a Select Committee of the House, for *large purchases of spelter*, for which he drew out one day from the Bank no less than £600,000 (see Parliamentary Reports, p. 131).

The effects foretold soon began to be verified. The Bank Directors became alarmed—their issues were contracted—their discounts curtailed—the funds fell—the exchanges were affected—and danger rapidly succeeded danger. At the time when the operation of this plan commenced, the English three per cent. Consols had reached £96 ; all the foreign securities, European and South American, were high and of good repute in the market : the principal holders of these were country bankers, gentlemen of independent fortune, and tradespeople of small capital—all induced to become gamblers, and many on borrowed capitals, from the temptation which the fluctuation and hoped-for rise of stocks presented ; but these minor gamblers always become the pigeons who are plucked by the great capitalists. The South American Securities were the first affected ; and, as soon as these began to decline, the shareholders eagerly rushed into the market and sold, to prevent further losses : thus, from day to day, these funds continued to decline until an absolute panic took place on the Stock Exchange ; dismay and consternation spread through the whole city, and soon extended throughout the country. A dreadful depreciation took place—first, in all articles of colonial produce, and soon affected those of home manufacture, from the necessity to which the holders of them were subjected to force sales, in order to raise the money to meet their engagements and preserve their credit, in the absence of all accommodation from the Bank of England or from private bankers. The Directors of the Bank were now compelled to submit to these capitalists ; who, themselves alarmed at the wide-spread mischief which, undesigned as to extent, their speculations had caused, readily acceded to terms for bringing back the bullion—this was soon accomplished. The bank resumed its usual discounts and accommodations, confidence revived, and the panic was at length stayed ; but, in the mean time, NO LESS THAN SEVENTY-FIVE banks had stopped payment, spreading misery, and almost starvation, among thousands of the heretofore most respectable and comfortable living families of the kingdom, from the Tweed to the Land's End. The Scotch bankers, being further removed from the dangerous vortex of the London Stock Exchange gambling-house, and more generally preferring to place their surplus

capital in Exchequer Bills, the prices of which fluctuate but little, escaped these disasters; but the Bank of England itself was exposed to within twenty-fours of stoppage; its bullion, on the 24th December, 1825, being reduced to £600,000, and its coin to £426,000, to meet liabilities of £32,000,000 (according to returns made by the Bank to the Currency Committee of 1832). Such are the national disasters to which this country must continue to be exposed, so long as our public debt is so enormous, and so long as it is conducted on the extremely erroneous principles which govern the transactions in our loans.

To prevent a system so ruinous to all the best interests of the nation, it appears to me fully evident that the best and only just plan for the legislature to pursue, in regard to all loans, is—to borrow a certain sum sterling, for which, whenever it may be convenient that repayment should be made, the nation should be held responsible for only the PRECISE SUM RECEIVED; and that the principal debt should not be liable—from any circumstance whatever—to any augmentation, to the future detriment of the public. It is upon these terms that the floating debt of Exchequer Bills is transacted, to the amount of more than twenty millions annually. It is always followed in the transactions of individuals, where the borrower is solvent and has real security to offer; and why should it not be followed for the benefit of the nation? For can there be a more solid security than a mortgage upon the whole live and dead stock in the kingdom? or any more desirable, than one which can be brought into the market, and the amount lent be again received within a few hours of the demand arising?

If money be scarce at the moment, let four, five, or even six per cent. interest be paid upon the sum advanced; and, when the difficulties of the nation be surmounted by peace, or by any other favourable occurrences, then the interest may be immediately reduced, according to the state of the market. This plan was pursued to advantage during the reigns of King William and Queen Anne, when money was borrowed at a high rate of interest; but the stock created was the precise amount of the gold received. Therefore, as early as 1716, Sir Robert Walpole, by offering to pay off the creditors, reduced the interest, effectually, one-fifth. Again, in 1749—money being more plentiful, and the Government more stable—the interest was reduced from four to three per cent., by Mr. Pelham. The same course was pursued by all the banks at the various seaports, during a late scarcity of gold, when it was required to pay for the importations of corn from foreign growers, and that demand having ceased, the discount again fell accordingly. All country bankers, who allow interest for deposits, find no difficulty in this arrangement: they charge the interest they allow according to the state of the market, and merely put up a notice in their banks that the interest will be increased, or diminished, as it may be, from a certain date. The depositors are at liberty to withdraw their deposits; but they do not, because they can make no better interest of

their money, as the price is general. If the fundholders should object to diminish the rate of interest, they may also easily sell out; or loans may be always immediately procured at the market price of the day. In this industrious nation, there is always abundance of floating capital waiting to be profitably employed; and the old bonds may be paid off at par—that is, at the precise amount originally advanced.

Now, although the Bank of England could enter the market and borrow a sum of £750,000 of the East India Company at three per cent. interest, and although the journals of the day, during a series of years, state that money is plentiful at three per cent., and if our Lords of the Treasury could also borrow eight hundred millions at the same interest—it would not be of the least service in paying off the old debt; although we are really paying more than five per cent. upon that debt, as has previously been fully shown. Since, for the amount funded in the three per cents., £495,069,671, the whole sum received from the contractors, was at most £297,041,802. The interest on the former nominal sum, as charged January 5th, 1835, was £14,852,089; being precisely the same amount as five per cent. would be on £297,041,802: whereas, for the same sum, the Bank of England, or any other solvent company or individual, could now make a loan for the annual interest of £8,911,254; the tax-payers of the nation thus suffering the loss of a sum annually of no less than £5,940,836 upon this species of stock alone, which might be saved by the plan I propose, and which is adopted in your own private transactions.

Recapitulation.

According to the Parliamentary Returns for 1835, we find that the		
Total funded in the THREE per Cents. was .	.	£495,069,671
Total received from Contractors only .	.	297,041,802
Interest charged upon the former amount is	£14,852,089	
And if charged at FIVE per cent. upon the sum		
actually received would amount to	.	14,852,090

therefore, whether the NOMINAL debt be at three per cent., or the REAL debt at five per cent., the interest is precisely the same; but if the real debt—that is, the amount *bonâ fide* advanced by the creditors—were at three per cent. the interest would amount to only . £8,911,254
Annual loss on this portion alone of the Debt . . 5,940,836

Yet do the Lords of the Treasury and the nation at large entirely neglect the means of attempting this annual saving; which might be accomplished, not only with PERFECT JUSTICE to all the fundholders, but, as I shall show, by the VOLUNTARY ACTS of the fundholders themselves, if once proposed to them by Government.

Now, whether it be the incompetence and inexperience of those gentlemen to whom our financial affairs have been entrusted, or whether it be the supineness of the tax-payers in general under their burdens, in

consequence of their ignorance of the true causes thereof, I leave you, gentlemen, to determine; but, whilst numerous public meetings are periodically convened, and petition after petition sent to the two Houses of Parliament for relief from the taxation of a few hundred thousand pounds, to serve the private or local political interests of certain individuals or classes, we see that this amount of taxation of nearly six millions—an amount equal to two-thirds of the entire interest of the debt previously to the commencement of the late war with France—is entirely lost sight of.

YET THE PROPOSED SAVING UPON THIS PORTION OF THE DEBT ALONE WOULD ENTIRELY SUPERSEDE THE NECESSITY FOR THE INCOME AND PROPERTY TAX.

Such proceedings are surely as foolish and ridiculous in the people, as would be the conduct of a man who should exhibit a violent agitation and exclaim vociferously at the huzzing of a fly or the sting of a mosquito, whilst he totally neglects to guard himself from the spring of the tiger which is about to clutch him and glut itself upon his life's blood.

But, singular as it may appear at the first glance, it would not benefit the nation one shilling to borrow a new loan at three per cent., in order to pay off the whole of the old debt, for which we are paying more than five per cent.; because such new loan would immediately cause the present three per cents. to mount up to £100 sterling, and we must then pay off the debt at the advanced price of £100, the then market price.

Let us then suppose that the legislature authorize the Chancellor of the Exchequer to contract a new loan at four per cent. to an amount sufficient to pay off the whole of the old debt in the various stocks; and that he should contract to give FOUR per cent. interest for every £100 sterling *bonâ fide* paid into the treasury, without any of the usual siftings, filings, honuses, and other deductions. At this rate, any individual having £1000 to place out at interest may receive for that sum £40 per annum. Let us now estimate how much sterling capital he must invest in the present three per cents. to obtain an equal amount of annual interest.

The price of the three per cents. averaging £90, it will require £1333. 6s. 8d. of stock to give an income of £40, equivalent to the value of £1000 stock in the four per cents.; but this £1333. 6s. 8d. of stock at £90 sterling for each £100 stock, will require only £1200 of sterling money—what then must be the result of this new loan in the money market? Will any individual in the nation be so blind to, or negligent of, his own interest as to give £1200 for an income of £40 from the old three per cents., when he may insure the same income, upon the same security, in the new four per cents. for £1000? Will not every person who desires to make an investment subscribe his capital to the new loan; and will not, also, every holder of stock in the three per cents. be desirous to sell out that stock and purchase in the new four per cents.?

But who will then buy of him at £90, or even £80? Now, stock is precisely like corn, sugar, labour, or any other commodity. If there be a scarcity of sellers and abundance of buyers, the value will be increased; thus, every time the Government Commissioners have come into the market to purchase stock, we have found that the price rose gradually from £60, when it gave five per cent., until now exceeding £90, when it gives but little more than three per cent. to present purchasers. But, on the contrary, if there be many sellers and but few buyers, the price must gradually decline, until £1000 invested in the three per cents. will produce the same income as £1000 invested in the new four per cents.

As I am explaining for those persons who are uninitiated in the mysteries of the funding system; or for those persons who have not made the causes in the variations in the price of stocks their study; the initiated must excuse me for entering occasionally into details which to them would be quite unnecessary. I must, therefore, request attention to the following table of the comparison of the value of Money placed in the different Stocks.

—			At five per cent.	At four per cent.	At three per cent.						
£	s.	d.	£	s.	d.	£	s.	d.			
100	0	0	5	0	0	4	0	0	3	0	0
90	0	0	4	10	0	3	12	0	2	14	0
80	0	0	4	0	0	3	4	0	2	8	0
75	0	0	3	15	0	3	0	0	2	5	0
70	0	0	3	10	0	2	16	0	2	2	0
66	13	4	3	6	8	2	13	4	2	0	0
60	0	0	3	0	0	2	8	0	1	16	0
50	0	0	2	10	0	2	0	0	1	10	0
40	0	0	2	0	0	1	12	0	1	4	0
33	6	8	1	13	4	1	6	8	1	0	0
30	0	0	1	10	0	1	4	0	0	18	0
25	0	6	1	5	0	1	0	0	0	15	0
20	0	0	1	0	0	0	16	0	0	12	0

Thus it will be seen that, to insure one pound income per annum in the five per cents., it will cost only £20 sterling; in the four per cents., £25; and, in the three per cents., £33. 6s. 8d. original purchase. In order, therefore, to procure the same amount of annual income from £100, whether placed in the three, four, or five per cents., we should require to purchase in the present four per cents. to the amount of £125 stock; and, in the three per cents., £166. 13s. 4d. to receive an equal amount of £5 interest for £100 sterling.

The price, therefore, of the four per cents. should be only £80, and the three per cents. £60; when £80 and £20 in the former, and £60 and £40 in the latter, will cause the same outlay of capital, and produce the same income as £100 in the five per cents. Thus, then, as £1000 invested in

the four per cents. will purchase ten hundred stock, and give an interest of £40; so it will be requisite to purchase thirteen hundred and one-third of a hundred pound stock in the three per cents. to give the same interest of £40: since 13 times 3 is £39; and one-third of a hundred stock, or £33. 6s. 8d., will give £1: thus, the hundred stock must be at only £75 gold; 13 times 75 will be £975; and one-third of 75 is £25, to complete the £1000 invested.

Recapitulation :—In the four per cents. £1000 sterling will purchase ten hundreds of stock at £100 each, and give an income of ten fours, or £40.

In the three per cents. £1000 sterling will purchase, at £75 per hundred stock, no less than thirteen hundreds and one-third of a hundred stock, equally giving an interest of £40. Thus, one lady may have for her fortune £10,000 in the four per cents.; and another lady no less than £13,333. 6s. 8d. in the three per cents.; and yet the two fortunes in gold and in annual interest will be the same to a shilling.

Thus, then, I trust it will be perfectly intelligible, even to those who have previously had their organ of calculation the least exercised, that as soon as a new loan at four per cent. for £100 sterling be in the market, the price of the present three per cents. must fall to £75; and the Chancellor of the Exchequer may sell £100 stock with the one hand, and purchase immediately with that sum no less than £133 three per cent. with the other.

Now, I believe, that it has been very fairly estimated by various political economists, that for every £100 expended by any individual in the kingdom, at least £40 is paid in taxation, either directly or indirectly; since there is not a single article worn or consumed in any way that does not, in some shape or another, pay tax: if, then, the general population pay forty per cent., surely it will be very lenient, and PERFECT JUSTICE to the three per cent. fundholders, to require from them a reduction of interest, according to the market price of the day; always keeping in mind that, for all the original THREE per cent. stock, the nation has been paying FIVE per cent., because only £60 sterling was received for the nominal £100 stock. This deduction is the more just, because the great portion of that stock was advanced to the nation, with a deduction of a ten per cent. income tax, imposed under Lord Henry Petty, now Marquis of Lansdowne; but which tax those fundholders have never been called upon to pay during more than thirty years. This reduction of interest is precisely equivalent to what all FIVE per cent. fundholders were subjected in 1822, when the amount of £149,627,825 was reduced from five to four per cent. Again, in 1826, the four per cents., to the amount of £70,105,403, were reduced to three-and-a-half; again, in 1830, four per cents., to the amount of £151,021,728, were reduced to three-and-a-half. This proceeding would reduce the value of the three per cents. to £2. 8s. annual interest per hundred. One thousand pounds three per

cent. stock will then only give an annual income of £24; but, to procure the same annual income in the four per cents., will require only £600 sterling. The fundholder will then be induced to sell his old stock, to the amount of £1000; which, at £70 sterling, will produce him £700, and by purchasing into the new four per cents., he will receive an interest, clear of all tax or deduction, of £28; or an addition of about £15 to every £100 income. He may thus avoid the tax and increase his income, by immediately transferring his stock from the three and three-and-a-quarter per cents. to the new four per cents. And will not every fundholder who can calculate endeavour to gain this £15 per cent.? The Chancellor of the Exchequer may then easily purchase up the whole debt at £70 for the three per cents., and the remaining stock in the same proportion. Let us now suppose the whole debt transferred at the same ratio. Then the total amount of *nominal* debt of £800,000,000 (*nominal*, because its value is daily fluctuating) will be reduced to a *real fixed* debt of £560,000,000., and all this transfer may be transacted by the employ of one million of gold, or indeed without any gold at all, by the mere exchange of securities; for it is no longer to be sent out of the country, but to circulate in new channels for the improvement of our agriculture, manufactures, and commerce.

Let us suppose, then, that during the first week, the sum of one million be subscribed to this new stock. This is no exaggerated expectation, since we find that when the books were opened for a loyalty loan, in 1797, the amount of eighteen millions was subscribed in four days. Thus, as soon as the Chancellor has received a *bonâ fide* amount of one million sterling, for which he will have to pay £40,000 interest, with this million the Commissioners may enter the market. As previously explained, the offer of borrowing at four per cent. will immediately cause the three per cents. to fall to £75 per hundred stock, which will then give the same amount of interest—£4 for £100 sterling; and the deduction of interest on all the old stock would cause a further fall in that stock of full five per cent.; we may therefore fix upon £70 as the permanent price of the three per cents. You may then purchase these three per cents. to the amount of the one million subscribed in the new fours: this will give £1,428,571 stock, for the interest of which at three per cent. you are now paying £42,857. Thus you will save, in the amount of annual interest, the sum of £2,857 upon each million; or no less than £2,188,462 of annual taxation upon the whole debt; and will reduce the amount of the principal debt by the sum of £428,571 in each million transferred from the present three per cents. to the proposed four per cents.

Let us next extend the calculation to the whole debt; which, whether it be transferred in one year, or gradually in forty years, will not affect the principle of the proposition.

The following calculations were worked according to a return given in to Parliament for 1835; and, although the Debt has been augmented

since that return, still the proportionate decrease will be in the same ratio. We find the debt for that year detailed as follows :

Species of Stock.	Nominal Amount.	If bought at	Would require, sterling money,
	£	£	£
Three per cents. . . .	495,069,671	70	346,548,769
Three-and-a-half per cents.	247,178,521	80	197,742,816
Four per cents. . . .	1,615,384	90	1,453,845
Five per cents. . . .	1,462,935	100	1,462,935
Total	745,326,511		547,208,365

The Interest paid on the nominal Debt . £23,641,098

Proposed four per cent. on the reduced amount 21,888,334

A saving of 1,752,764

Add deduction of one-fifth Interest on the

Terminable Annuities 400,000

Ditto, Total Interest on Exchequer Bills . . 600,000

Total £2,752,764

Let us suppose the entire funded Debt now reduced to a single denomination of four per cent., the management would be much more simple, and would allow of an immediate reduction of taxation of £2,752,764. There would now be required only twenty-two millions for the interest and gradual reduction of the Debt. The operation and result of this measure would then be according to the following Table: of which the

First Column contains the date of each half-year's operation.

2nd Column. The amount reduced from the fluctuating nominal Debt to the fixed real Debt.

3rd Column. Interest at four per cent., gradually diminishing.

4th Column. The surplus, gradually increasing, being the difference between the twenty-two millions provided for the interest, and the decreasing yearly interest absolutely required.

5th Column. The amount gradually reducing,

* * * In January, 1852, it would be desirable that the interest be reduced to three-and-a-half per cent.; this would allow all fundholders two years to consider if they could place their capital at better interest. The four years following are therefore worked at three-and-a-half per cent.

* * * Again, in 1856, the interest may be reduced to three per cent., which is the present value of money, and the fundholder will not suffer, because he will receive a full equivalent by the reduction of general taxation, and the consequent diminution in the price of almost every article he may require to purchase.

Calculation of the gradual Reduction of the Funded Debt, when the whole shall be converted into a new **FOUR PER CENT. STOCK** of fixed Value—devoting, for the first Two Years, Twenty-two Millions per Annum; and, subsequently, only Twenty Millions of Taxation for the Interest and Reduction.

Date.	Reduced Debt.	Interest at Four per Cent.	Surplus.	Remaining Debt.
Jan. 1850 . . .	£547,208,365	£10,944,167	£55,833	£547,152,532
July „ . . .	547,152,532	10,943,050	56,950	547,095,582
Jan. 1851 . . .	547,095,582	10,941,911	58,089	547,037,493
July „ . . .	547,037,493	10,940,749	59,251	547,978,242
	* * *	* * *	* * *	* * *
Jan. 1852 . . .	546,978,242	9,572,119	427,881	546,550,361
July „ . . .	546,550,361	9,564,630	435,370	546,114,991
Jan. 1853 . . .	546,114,991	9,557,011	442,989	545,672,002
July „ . . .	545,672,002	9,549,260	450,740	545,221,262
Jan. 1854 . . .	545,221,262	9,541,371	458,629	544,762,633
July „ . . .	544,762,633	9,533,346	466,654	544,295,979
Jan. 1855 . . .	544,295,979	9,525,179	474,821	543,821,158
July „ . . .	543,821,158	9,516,869	483,131	543,338,027
	* * *	* * *	* * *	* * *
Jan. 1856 . . .	543,338,027	8,150,070	1,849,930	541,488,097
July „ . . .	541,488,097	8,122,321	1,877,679	539,610,418
Jan. 1857 . . .	539,610,418	8,094,156	1,905,844	537,704,574
July „ . . .	537,704,574	8,065,568	1,934,432	535,770,142
Jan. 1858 . . .	535,770,142	8,036,552	1,963,448	533,806,694
July „ . . .	533,806,694	8,007,100	1,992,900	531,813,794
Jan. 1859 . . .	531,813,794	7,977,206	2,022,794	529,791,000
July „ . . .	529,791,000	7,946,865	2,053,135	527,737,865
Jan. 1860 . . .	527,737,865	7,916,067	2,083,933	525,653,932

Date.	Reduced Debt.	Interest at Four per Cent.	Surplus.	Remaining Debt.
Jan. 1861 . . .	£523,538,740	£7,853,081	£2,146,919	£521,391,821
„ 1862 . . .	519,212,698	7,788,190	2,211,810	517,000,888
„ 1863 . . .	514,755,901	7,721,339	2,278,661	512,477,240
„ 1864 . . .	510,164,399	7,652,466	2,347,534	507,816,865
„ 1865 . . .	505,434,118	7,581,512	2,418,488	503,015,630
„ 1866 . . .	500,560,864	7,508,413	2,491,587	498,069,277
„ 1867 . . .	495,540,316	7,433,105	2,566,895	492,973,421
„ 1868 . . .	490,368,022	7,355,520	2,644,480	487,723,542
„ 1869 . . .	485,039,395	7,275,591	2,724,409	482,314,986
„ 1870 . . .	479,549,711	7,193,246	2,806,754	476,742,957
„ 1871 . . .	473,894,101	7,108,412	2,891,588	471,002,513
„ 1872 . . .	468,067,551	7,021,013	2,978,987	465,088,564
„ 1873 . . .	462,064,892	6,930,973	3,069,027	458,995,865
„ 1874 . . .	455,880,803	6,838,212	3,161,788	452,719,015
„ 1875 . . .	449,509,800	6,742,647	3,257,353	446,252,447
„ 1880 . . .	414,636,643	6,219,550	3,780,450	410,856,193
„ 1885 . . .	374,175,536	5,612,633	4,385,367	369,788,169
„ 1890 . . .	327,218,770	4,908,281	5,091,719	322,127,051
„ 1895 . . .	272,723,524	4,090,853	5,909,147	266,814,377
„ 1900 . . .	209,479,568	3,142,194	6,857,806	202,621,762
„ 1905 . . .	136,082,374	2,041,236	7,958,764	128,123,610
„ 1910 . . .	50,901,945	763,529	9,236,471	41,665,474
July „ . . .	41,665,474	624,982	9,375,018	32,290,456
Jan. 1911 . . .	32,290,456	484,357	9,515,643	22,774,813
July „ . . .	22,774,813	341,622	9,658,378	13,116,435
Jan. 1912 . . .	13,116,435	196,747	9,803,253	3,313,182
July „ . . .	3,313,182	49,698	9,950,302	
Jan. 1913 . . .	Surplus remaining of		£6,637,120	

After the year 1860, in order not to dazzle the reader's eye with too many figures, only the result of each year is given down to 1875; then, in order to bring the whole calculation into one view, the result of only every *fifth* year is given down to 1910; when, to exhibit the then rapid deduction, each half year is again given.

In 1852, when the interest should be reduced half per cent., two millions of annual taxation may be remitted, devoting in future only twenty millions of taxation to the interest and reduction of debt. From the year 1856, until the Debt be all paid off, the interest might remain at three per cent., which we now find a fair rate of interest. After this period I have not proposed any further reduction of taxation arising from the savings on this fund—because some of the life and other terminable annuities would be falling in—which, in 1860, will amount to nearly **FOUR MILLIONS**; consequently that amount of taxation should be immediately reduced.

From our annually increasing greater strength of political position—for freedom from debt gives real influence and strength, whether to individuals or empires—all other nations would be extremely cautious of insulting or picking a quarrel with us; therefore, a considerable diminution of expenditure might be accomplished in our army and navy estimates, and in some of the civil departments. By the increase of revenue, which would certainly arise, from a much more prosperous state of foreign commerce, a further surplus would undoubtedly arise, which would allow ministers to reduce the public burdens. And further, by an examination of the Table, it will be observed how very desirable it is that the revenue should greatly exceed the requisite expenditure; since, during the ten years from 1850 to January 1860, the reduction is only £19,470,500. But, in each ten years following, it is reduced as follows:—

From 1860 to 1870	.	.	.	£48,188,154
„ 1870 „ 1880	.	.	.	64,913,068
„ 1880 „ 1890	.	.	.	87,417,873
„ 1890 „ 1900	.	.	.	117,739,202
„ 1900 „ 1910	.	.	.	158,577,623
Remaining three years	.	.	.	50,901,945

Thus, although only the same amount of annual taxation is devoted to the interest and redemption, yet the reduction of the debt proceeds, each successive year, in a greatly accelerated ratio. In the year 1913, there would be not only a surplus of more than six millions remaining of the twenty annually provided; but those twenty millions of taxation should then be immediately taken off entirely.

(To be continued.)

REDUCTION OF TAXATION.

No. 7,

OF A SERIES OF LETTERS—PRICE THREEPENCE EACH—

ADDRESSED TO THE LANDOWNERS AND FARMERS; THE MANUFACTURERS AND TRADESMEN; THE MERCHANTS AND SHIP-OWNERS; AND TO ALL OTHER **TAX-PAYERS** OF THE UNITED KINGDOM—COMPRISING THE DEVELOPMENT

OF A PRACTICABLE AND EQUITABLE MEANS
OF PAYING OFF THE

NATIONAL DEBT;

THE MOST EFFECTIVE AND ONLY REMEDY FOR THE
PRESENT EVILS OF THE COUNTRY, AND TO PREVENT
THE RECURRENCE OF SIMILAR EVILS FOR THE FUTURE.

By Britannicus.

LONDON: PUBLISHED BY FRED. PITMAN, PHONETIC DEPOT, 1, QUEEN'S
HEAD PASSAGE, PATERNOSTER ROW; AND SOLD BY ALL OTHER BOOK-
SELLERS.

LETTER VII.

50. Means of preventing the price of Stocks ever rising or falling more than ONE per cent. above or below par, which will prevent the Gambling in the funds, so destructive to all legitimate commerce.—51. Refutation of the objection, that "it is not honourable for the Nation to purchase up its own debts, at a discount of 10 or 20 per cent.," by a reference to the established law and practice of the Lords of the Treasury.—52. Declaration of Ministers that, in order to carry out any effective measure for the benefit of the Nation, they must always be assisted by the pressure from without—the PUBLIC VOICE.—53. Evil effects to our home Commerce, by so many of the English Fundholders being induced, by the excessive taxation of this country, to expend FIVE or SIX MILLIONS of English gold in foreign countries.—54. Fallacy of the opinion—that any faith has hitherto been kept with the fundholders. The contrary fully proved.

To the Landowners and Farmers ; the Manufacturers and Tradesmen ; the Merchants and Shipowners ; and to all other TAX PAYERS of the United Kingdom.

GENTLEMEN.

I HOPE that I have now rendered my proposition so intelligible ; have proved that the operation would be both just and easy of execution ; and, when compared with what has taken place in regard to the National Debt during the last thirty-four years, that the result must prove so beneficial to the nation at large, and really to the fundholders themselves, that it appears astonishing it should never previously have been proposed and carried into operation. Yet, in examining it over and over again, I can see no contradiction, nor any reason to change my calculations, since purchasers of stock in the present day are paying above £90 sterling for three per cents., and in the articles in the London journals we read that money can easily be had, on good security, for three per cent. The only valid objection, therefore, which I believe can be advanced against this proposition is, that it is much too favourable to the fundholders, since, by paying them off at the rate of £70 for £100 three per cent. stock, they will receive a bonus on the original investments of full ten per cent. This bonus, in consideration of the greater part of the stock having changed proprietors, at an advanced price, since the original loan, the public may be so generous as to grant ; and, by giving four per cent. interest in the new stock, you are offering, during two years, actually one per cent. above the present market price of interest. But, in consideration of the annual saving of more than two millions sterling of taxation, which the nation will make by this transfer, they may easily be reconciled to accord this also.

Further, I propose, that when this new stock is once created—as the Chancellor of the Exchequer should always be responsible to the public creditor for only the precise sum of £100 sterling—if peculiarly favourable circumstances should raise the market price beyond £100, say £101, he may still continue to sell to any amount, let us say £1,000,000, at £101 ; this will realize a profit of £10,000. A portion of the original debt may then be paid off to the amount of £1,010,000, which, in strict justice, should always be done in regular succession, as inscribed in the great book ; the commissioners being, however, bound always to give SIX months' notice of their intentions to pay off, not in the public gazette, which may never be seen by the parties concerned, but to the individual fundholders themselves, when they may receive their preceding dividends. On the other hand, should any unfavourable circumstances produce a depression of these new funds, say to £99, a bargain, equally favourable to the public, may be made by the commissioners purchasing in the market any stock that may be offered for sale at that sum. Let us again take

the sum of one million, which will equally realize a saving to the nation of £10,000. The fluctuations of fractions may always be left for the speculators to profit by.

Thus, by the commissioners alternately buying and selling at favourable epochs, and preserving an equality in the funds, those changes, so ruinous to thousands, as inducing numerous bankruptcies, therefore so detrimental to honest merchants and tradesmen, cannot take place; at least, not to the same amount, or with the same facilities. None of those destructive panics could possibly occur: they would be stifled in their very birth. The money market would be preserved in an equal and wholesome state; and every transaction of the Commissioners, whether at a rise or fall, must produce a saving to the nation.

But some gentlemen having the organ of benevolence greatly excited in favour of the fundholder, and insensible to the two millions of destitute operatives, and to the thousands of hankers, merchants, manufacturers, tradesmen, and farmers, who are hovering on the verge of bankruptcy, have said to me, "Surely this is not perfectly honourable, to purchase up your own debts at a discount." But if the stock be offered in the market, and the seller be satisfied with the amount he receives, of what consequence can it be to him whether his stock be purchased by the National Commissioner for the benefit of the public, or by an individual for his own profit? In this respect I am proposing no new principle: it is already the law of the land, and has been practised at the Treasury to the amount of eighty-three millions since 1815. I am only proposing a more extended and efficient operation of an acknowledged law, and which may prove really beneficial to the nation, instead of the present inefficient practice. For what have been the duties of the present commissioners? Whenever the Chancellor of the Exchequer declared a surplus revenue, they were employed to lay out a few thousands in buying up the National Debt at £70, £80, or £90, for £100 stock, at a discount varying five, ten, or twenty per cent. according to the market price. And from 1793 to 1815 no less an amount than £284,581,731 stock was redeemed at an average of £64 for £100 stock, or 36 per cent. discount. Now, whether you buy up your debts at ten, twenty, or thirty per cent. discount, the principle is surely the same; and, if by the consent of the creditor, must be perfectly just.

If the demoralizing and destructive gambling on the stock exchange cannot be altogether prevented, it is the duty of the legislature to check it as much as possible. It is a vain boast that Christianity is part and parcel of the law of the land, and that we pride ourselves on our national morality, in having abolished lotteries, and passed laws against petty gambling houses and little-goes, when we still suffer and encourage the existence of a lottery and open gambling house, a thousand times more injurious in its consequences, and more demoralizing to the mass of the

nation, to wanton in luxurious magnificence on the stock exchange. Let us produce one out of several similar instances. On the examination of the affairs of a great stock speculator, who committed suicide some years since, it was found that, during the preceding year, he had been possessed of an ample fortune of £700,000; but at the period when he destroyed himself, in consequence of some unfortunate speculations, or rather gambling bets on the prices of funds, he was £300,000 minus nothing: and the bankruptcy of many of the country bankers may be traced to the same source—gambling with money entrusted to their charge. Another well-known example occurred some years since, in the case of an eminent banker at Norwich, possessing a well-ascertained rental of £15,000 per annum, of some of the best land in the county, as well as being receiver-general of the county, a situation estimated worth £2000 per annum. It was well understood that this gentleman several years previously had enjoyed some valuable shares in different loans, by which he had netted some eighty or one hundred thousand pounds; and numerous persons who had accumulated money unfortunately thought, that if lodged in his hands, it would be as safe as in the Bank of England: but he never informed the public when, subsequently, he suffered losses of twenty, thirty, or fifty thousand pounds at a time, by other stock speculations; so that, on his decease, which occurred suddenly, it was discovered that, notwithstanding his vast landed estates and other property, his debts exceeded his assets by some hundred thousand pounds. There immediately followed such a state of distress as has seldom occurred in that county, among numerous families heretofore living in the receipt of handsome independent incomes. And it is well known that the temptation which the gambling house of the stock exchange holds out to the clerks of bankers, and to other persons temporarily entrusted with sums of money, induces them to gamble with it; and, to make up their frequent losses, numerous forgeries are committed. Such are some of the blessings which the public derive from the erroneous management of our National Debt permitting such fluctuations.

Perhaps some of you, gentlemen, may still entertain doubts of the practicability of this proposition, and feel inclined to ask “where, and from whom, could the Chancellor of the Exchequer borrow the £800,000,000, or rather the *reduced* amount of 547,000,000?” I must, therefore, request you to recollect, first, that this new loan would have no resemblance to those loans which were borrowed during the war, chiefly to be sent out of the kingdom, either in hullion or in warlike accoutrements, to subsidize the continental powers, and to enable them to bring their troops into the field, in order to curb the power of Napoleon. On those occasions, many millions were required to be paid up immediately, or at short definite periods; and your Chancellor of the Exchequer, threatened by a mutiny in the fleet or the disorganization of the army, unfortunately

thought that there was no alternative, but to have recourse to the great contractors, and leave immense profits to them for gathering up the capital in detail from the country bankers, merchants, and other individuals, who had been accumulating gold for that purpose. Greater part of these loans were never to return to the country. A portion was lent, or given, to the Emperor of Russia: first, to bring his armies against Napoleon; and, subsequently, (as our poor British ancestors were served by their Saxon allies,) to turn those arms against ourselves; first, by capturing our vessels and sweeping our trade out of the Black Sea; and, finally, out of the Baltic, as soon as he had built and disciplined, by the aid of our British captains and admirals, a few more ships of war: for we no longer possess such fleets as in the days of Howe, Jervis, Duncan, and Nelson; and, unfortunately, our National Debt, and the decline of our commercial navy—formerly the grand nursery for our ships of war—would totally prevent us from again fitting out such fleets for the protection of our commerce, and to sustain our national honour. But, on the present occasion, the money is neither to be sent out of the country, nor would it be required at any definite period; therefore the subscriptions may come into the exchequer by hundreds and by thousands, instead of by millions; and by immediate contract with the individual lenders, instead of undergoing all those filings down and per centages, giving such enormous profits to the contractors and monopolists, to the great and permanent injury of all the industrious classes, and destructive to the best interests of the country.

By the parliamentary document, inserted in page 66, you will find that the debt and interest, and consequent taxation, regularly decreased from the year 1817 to 1831, with some slight fluctuations; but, since that period, they have greatly increased, notwithstanding our REFORM BILL. Yet, during the former years of this latter period, you were frequently congratulated on the flourishing state of the country in a surplus revenue. A little dust was thrown in your eyes, Gentlemen, when you were complimented on your own successful exertions in agriculture, the arts and sciences, manufactures and commerce, and in thus swelling the amount of the *revenue*; and you totally forgot to examine whether this immense fruit of your exertions was employed in the most economical manner for your advantage. Truly, Gentlemen, if you wish to avoid a national bankruptcy, and all its usual accompanying horrors of civil war, it is high time that you should inspect a little more minutely and accurately your national accounts. For the time has now arrived when, by a combination of occurrences, and an accumulation of evils, some effective proceeding must be commenced; and the POWER is in the hands of THE ELECTORS OF THE EMPIRE, because they possess the power of returning not only the individual representatives, but the whole of the ministers.

During the short ministry of Sir Robert Peel, in 1834-5, a relation of the right hon. Premier was nominated by his Majesty to the situation of Secretary to the Treasury; and another right hon. gentleman to the post of Master-General of the Ordnance: to hold which situations it is requisite to be members of the House of Commons; but the electors of Devonport and of Perth put their veto upon these appointments, and the right hon. gentlemen were consequently superseded. In fine, did not the voice of the nation, at that period, by returning a majority of reformers, put a veto upon the appointment of the entire ministry, and oblige his Majesty to re-appoint the Reform ministry?

It has also been repeatedly stated by our most talented statesmen, that, in order successfully to carry through any reform, even "Ministers must be assisted by the pressure from without." In this sentiment, a late Chancellor of the Exchequer coincided, when, replying to a deputation that waited upon him relative to the equalization of the land-tax, he remarked, "To accomplish this, however desirable it may be, would require some pressure from without." The same sentiment has repeatedly been expressed by the leading members of the Cabinet, who so frequently rest their opposition to any motion, which may be brought forward by any independent member, on the *want of a strong public opinion* being expressed on the subject. They continually explain as well as official language will allow them, "Here we are, ready to act, if the nation force us;" or, as was happily observed by Mr. Fox, M.P., at the great Anti-Corn Law meeting—

"When the wind blows, then the Mill goes.

When the *League* blows, then the *Peel* goes."

As an encouragement to your exertions, and a proof that the power exists in the tax-payers of the empire of inducing the Government to pay deference to their opinions, when generally expressed, I may further call attention to the events of 1848. When, on the 18th of February, the Premier brought forward a resolution for the sanction of the House of Commons, to increase the income-tax from *three* to *five* per cent., the proposition was received with much opposition by the House; and, as soon as the report of the debates spread over the country, public meetings were held, remonstrances made to the individual members, and petitions forwarded to the assembled Parliament against this additional burthen—not only from the various constituencies and parishes in the metropolis, but from Liverpool, Manchester, Bristol, Edinburgh, Glasgow, and numerous other towns of Great Britain. The *Scottish Press* very forcibly expressed, "Look to your members; the constituencies ought to awake, and to have their eyes fixed on the votes of their representatives. If they support the Minister in carrying this odious proposition, let them be *marked men*; and let the indignant rejection of them at the next election

prove that the electors have too high a sense of what is due to themselves to allow their feelings to be insulted, and their pockets picked, by their own representatives." Now, Gentlemen, I advise you to ponder well upon this; and "go and do likewise."

What was the result of this movement?—On the 28th of the same month, the Chancellor of the Exchequer announced to the honourable House, "I am sorry to say that the proposal which Government made to increase the income-tax has not been well received." (*Hear, hear, and laughter.*) "I must admit, that from all quarters of the house, and from all parts of the country, we have received the most unequivocal demonstrations of the disapproval of the increase of *two* per cent. I still think that the proposal was one which it would have been for the benefit of the country to submit to. But I must say, on the part of Government, that IF THERE IS ONE SUBJECT UPON WHICH THE REPRESENTATIVES OF THE PEOPLE HAVE A RIGHT TO DICTATE TO THE GOVERNMENT, IT IS UPON SUCH AN OCCASION! I have therefore to announce, on the part of the Government, that we do not mean to press the resolution which implies an addition to the income-tax. I think, then, that when the Government make this concession to the popular will, as expressed by the representatives of the people in this house, they will not refuse to renew the income-tax at its present amount for a period of three years. I will only further state, that it is the intention of the Government to *abandon the proposed increase* of the income-tax, and to ask for its renewal at its present amount for three years. Whether the emergency can be met by a diminution of expenditure, or by a change of taxation in some other way, is for the future consideration of Government."

Mr. F. T. BARING remarked: "I believe that the country will be exceedingly grateful to the Government for the course they have taken, and that they have exercised a wise discretion in giving way. THE COUNTRY HAS A RIGHT, WITH RESPECT TO TAXATION, AS ON ALL OTHER SUBJECTS, TO HAVE AN OPPORTUNITY OF EXPRESSING AN OPINION."

The preceding page ought to be framed and glazed, and suspended in every breakfast-room in the Kingdom, to be read and imbibed when the mind is most vigorous, as the *Palladium* of British Liberty.

Are, then, the great interests of all the other classes of the nation to continue to be sacrificed to those of a few wealthy speculators of Change Alley, because you are too supine to exert that pressure? Or, having once proved your own power and now enjoying the benefit, will you continue your exertions further to increase your individual as well as the national prosperity?

When your representatives are once elected, and the ministers appointed by the sovereign, there is a certain polite etiquette established, to which it is necessary to conform, in making your wishes known to them, by petition to the congregated body of the honourable House; otherwise, the whole empire would be in a state of confusion and anarchy. But, when the candidate is soliciting your vote, you possess the absolute power of making a bargain with him upon what subjects he is to exert himself; therefore, one pledge, and one pledge only, should be demanded of every candidate:—"Will you pledge yourself to exert your voice, all your power and influence, to amend the regulations concerning the public funds, and to reduce the National Debt and Taxation?" But this pledge should be **SIGNED AND SEALED** by the candidate; because so many of these gentlemen possess very short memories, and explain away all the essence of what has been given by the reporters, as promised by the candidate on the hustings. For, if you will trouble yourselves to reflect duly on the subject, and to view it in all its bearings upon the prosperity and peace of the kingdom, I feel assured you will soon be convinced that, if you gain this one point, all the minor reforms will follow as a matter of course. When the electors of Ireland, taking their cause into their own hands, persisted in returning a Catholic to Parliament, they not only gained the victory for themselves, but the mere agitation of that question effected the repeal of the Test and Corporation Acts, in favour of all the other Dissenters in the kingdom. And the latter body—who during so many years had been in vain struggling to attain these objects, at a great loss of time, money, and friendships during their election contests, and had almost given it up as a hopeless task—one morning awoke; and, on reading the newspaper, found themselves free from their chains, almost without having heard, for a long time, a hammer or a file at work to sever them.

Associations ought instantly to be formed, which should be the standing auditors of the national accounts; or, rather, the sphere of the operations of your chambers of commerce should be greatly enlarged: and whenever government require information on commercial subjects before their committees, some member should be elected, who should go forth, not merely in his own strength and experience, and biassed by his own commercial interests, but furnished with the deliberate opinion of the majority of the associated members. And the representative for the town or county, if on the committee of the House, for which information may be required, should be furnished with a list of such questions as it would be most useful to ask; if not on the committee, he might pass over the list to some friend named on the committee.

By the report of one of these commercial bodies we find them fully awake to this important duty. "Report of the Directors of the Chamber of Commerce and Manufacturers of Greenock, for the year ending

February, 1841.—In reviewing the proceedings of the Chamber for the year just terminated, your Directors have the satisfaction of assuring their Constituents that they have kept a watchful eye over such of the proceedings in Parliament as might be calculated to affect the trade and manufactures of the country; as well as over such occurrences in the commercial world, in regard of which the influence of the chamber might be deemed useful; and that influence has been frequently and successfully exercised in procuring redress of abuses, in promoting improvements, and in effecting the more harmonious and efficient working of regulations under which commerce is conducted.”

You must be well aware, Gentlemen, that ministers have a great multiplicity of affairs to attend to. Besides their minds being intently occupied in imagining the most ingenious and effective means of raising the greatest amount of taxation, they have to arrange their forces, physical and intellectual, for the wordy war; to prepare themselves to make long argumentative speeches, not only to amuse and convince the members within the House, but to administer to the appetite of the public, and to prepare replies for numerous questions during almost every evening of the parliamentary session; further, not merely to provide for their own dinners, but to attend to thousands of applications from their supporters, not only for the solid joints, but for the fragments of the loaves and fishes which the collection and subsequent expenditure of these fifty millions of annual taxation afford.

Besides, how can one Chancellor of the Exchequer correctly examine and check the accounts which are written by twenty, or perhaps by one hundred clerks; he, therefore, stands continually in need of your assistance. We witnessed not long since, in the case of the forgeries of the Exchequer Bills, that our whole staff of six Lords of the Treasury, one Chancellor of the Exchequer, four Tellers of the Exchequer, one Comptroller-General, and a Chief Clerk, were all unable to find out and prevent a regular system of forgery of Exchequer Bills during several years; which, as there were always some **THREE OR FOUR HUNDRED THOUSAND** floating, must, according to the calculation of the editor of the *Times*, have amounted to many millions. Yet, similar forgeries could not have gone on, without being discovered, in any well-regulated bank or commercial house in the kingdom. But, unfortunately, the honourable and highly salaried gentlemen, whose names are before the public as their **RESPONSIBLE SERVANTS**, have so much other employment, and so many objects of pleasure, that too often the most important financial transactions are left to clerks with small salaries, large families, and consequently great temptations. There ought to be a more equal division of labour: every public servant should have a salary to place him, if possible, above temptation; and the public should take care that their paid servants perform their allotted work diligently and faithfully.

There now arises another most important benefit, which would be derived by the industrious portion of the nation from this transfer of the funds and the gradual repayment to the fundholders of their capital. It is clearly ascertained, by the police returns of the French Government, that in addition to the numerous British travellers who pass over to France during the parliamentary vacation, there are generally upwards of sixty thousand British residents in that country, and several thousands in Italy, Belgium, Hamburgh, and Germany; the great proportion of these families are fundholders: this produces a very serious evil to the commerce of this country. The Foreign Quarterly Review, and Mr. M'Gregor in his evidence before a committee of the House, agree in stating; that the annual drain of gold from this country, to pay those fundholders, amounts to more than FIVE MILLIONS sterling. Thus then we have five millions of annual taxation sent over in gold to British residents in foreign countries, who do not contribute one shilling towards the relief of our own poor, towards the encouragement of our own manufacturers, or to any other national benefit. This amount is, therefore, truly a tribute from this country paid to France. Now, if by a change in the funding system, and by a reduction of the prices of the necessaries and conveniences of life in this country, these fundholders can be brought back to expend these five millions in the encouragement of our own industrious population, surely that five millions expended in our own towns would be nearly equal in beneficial results to double the amount of foreign commerce. Not only the manufacturer and merchant, but the wholesale houses, retail traders, and farmers, would all be benefited.

Now, since it has been found, on different occasions, that the circumstance of sending out from the country one or two millions of gold to pay for the extra quantity of provisions received from foreign countries, in consequence of the failure of the crops at home, has had the effect of compelling the Bank of England to raise the rate of discount to five or even seven per cent., and that the bankers in the sea-ports and manufacturing towns, from the same circumstances, have occasionally raised their discounts to ten per cent., producing numerous bankruptcies, stopping many manufactories and other mercantile operations, and reducing thousands of our industrious artisans to want and misery; what, then, must be the deteriorating effect of thus exporting annually from FIVE to SIX MILLIONS of Gold?—for it must all be sent in gold. These absentees will not receive their incomes in manufactured goods; for they can procure all they require of French manufactures at a cheaper rate. But this enormous drain of gold does not excite public attention, because it is not suddenly called for to be exported in a few days; it is sent over in comparatively small sums, day by day, and week by week, during the whole year: yet it is no less a canker, working its poisonous effect throughout the whole mass of our manufacturing and otherwise indus-

trious population ; reducing wages and profits ; increasing the poor rates ; multiplying vagrancy, destitution, and crime ; and gradually reducing Great Britain to the unfortunate situation of our sister kingdom, in consequence of her absentees.

Much of these five or six millions is expended, either directly or indirectly, in paying the taxes to support the military forces, to build and equip the steam war frigates of a country with which, however smiling and peaceable our relations may at present appear, we enjoy little better than an armed truce ; for France is a volcano periodically smoking and emitting sparks, and ready to burst into flame and furious eruption, overwhelming those English families who too incautiously confide in the deceitful calm, and perhaps involving all Europe in war.

Now, Gentlemen, we must consider the grand, and, I believe, the only objection to all I have proposed. The speculators of the Stock Exchange would fear that such a change would greatly dry up the sources of the enormous profits of the bulls and bears, and loan contractors ; for from what sources, and by what means, have these gentlemen amassed their millions, but at the expense of all the industrious classes of the nation ? And yet, truly, they are all honourable men. They fly their pigeons, and work the telegraphs, between Paris, Hamburg, Vienna, and London ; and procure letters to be written from various parts of the continent, and even inserted in foreign journals, diligently transmitted to England, with fabricated important intelligence of battles and revolutions ; of marching of troops and political changes, and rumours of coming wars : they pay handsomely for these things to be printed in the English journals, and to be circulated, alternately to raise or depress the market, accordingly as they wish to buy or sell ; themselves pulling the cords behind the scenes ; and the deluded public frequently applauding them, because they are RICH and honourable men.

These gentlemen are quick-sighted enough to foresee that, should such a plan, so equitable to the public tax-payers, as I have proposed, be carried into execution, they would no longer enjoy the same facility of making such enormous profits as they have hitherto done : they would, consequently, set every engine in their power at work, in order to prevent its adoption ; and, certainly, their gold would not be spared to engage men of talent to write against it, and they would pay liberally for the insertion of their own views in many of the periodicals.

Therefore all the other inhabitants of the kingdom must remain as the Hebrew slaves of these Egyptian taskmasters—the lords of the London Stock Exchange ; unless the land-owners and farmers, the manufacturers and tradesmen, the ship builders and merchants, and all the

other tax-payers of the nation, arouse from their apathy and supineness—make themselves acquainted with their true interests—and attempt to emancipate themselves from this bondage.

But—if you can once clearly see your real interests, and in spirit and in truth *WILL* to free yourselves from the evil effects of this mismanagement of your finances, and from this oppressive taxation—you possess a power among yourselves fully to accomplish it. A power which, if brought vigorously, simultaneously, and perseveringly into action, would easily counteract all the arts, and overwhelm all the active agents of your task-masters. This power resides not merely in the extensive landowners, the opulent merchants, and the master manufacturers; but also in the congregated bodies and improved intellect of the members of the various literary and scientific institutions, town councils, agricultural and other associations of various denominations; and, above all, of the various chambers of commerce, and the *Financial Reform Associations*, which are now, fortunately, in a state of formation in numerous towns in the kingdom. These are all intelligent enough to discuss the question, and to decide upon the best plan to be adopted. These various bodies have now the power to force the adoption of what they may resolve upon, if they will act collectively and unanimously for the public good on this one grand question, and not be quarrelling among themselves about minor objects, serviceable merely to different class interests; because they possess the power of returning the House of Commons, therefore virtually of appointing the Ministers.

If any gentleman should for an instant imagine that there is anything unjust, or any breach of faith with the public creditor, in the proposition that I have brought forward, allow me to direct attention to the manner in which, by the present system, the *NATIONAL FAITH IS KEPT* with the fundholder; because great misconception exists in this respect. Is it not a fact, that the prices of the stocks are continually fluctuating, chiefly at the will of the well-initiated speculators, who are playing with them to their own profit, with as much certainty as the gamblers who possess loaded dice, and who pluck the young inexperienced pigeons. Independent of the general rise caused by the £63,000,000 brought into the market by the Lords of the Treasury, towards the redemption of the debt, other circumstances have caused their occasional fluctuation from £58 in 1816, to £96 in 1825. In 1817 they had risen to £84. Let us then suppose that any person—either for himself or as a trustee for a minor, or otherwise, having the amount of £4000 to place out at interest—wishing to preserve the capital *UNTOUCHED AND ENTIRE* for a given period—and, confiding in the so much vaunted guarantee of the public funds, purchased into the three per cents. in 1817, at £84, and again required to withdraw this capital in 1820, when, in consequence of the agitation caused by the trial of the Queen, the funds having fallen to £64 and a fraction, he

would find his £4000 reduced to £3048 ; because, in the first instance, his £4000 would purchase, at £84, no less than £4762 of stock, which, resold at £64, would produce only £3048—being a loss of £952 !

Let us take the same amount in 1825, when the stocks were at £96, and during the Bank panic fell to £74 ; his £4000 sterling would now purchase only £4167, which he must sell for only £3083—thus losing £917, or nearly one quarter of his capital. Again in 1838, the three per cents. rose to £95 ; but, in consequence of the demand for gold required to be exported for the purchase of foreign corn, and increased by the war cry of the French minister and his satellite journals, they fell to £86 ; this same sum, entrusted to Government security, would purchase £4210 stock, which would be again sold for £3621 sterling—a loss of £379. Is this, I inquire, KEEPING FAITH with the fundholder ? Of course some other parties must gain, but it is too frequently the old experienced gambler who gains, and the confiding *bonâ fide* fundholder who loses his property. I have previously explained how the fluctuations in the stocks are occasionally produced.

Again, it has been objected, that we have no right to tax the funds ; and a celebrated statesman, Charles James Fox, in the debate on the Assessed Tax Bill, in 1797, asserted, “No minister has yet been blind or abandoned enough to tax the funds.” (*Hear, hear.*) But when this same statesman was called to conduct the vessel of the State, and found it necessary to raise the steam, he then “believed that the interests of any peculiarly privileged class must yield to the public necessities ;” and he felt no hesitation whatever, not only in approving of the tax of five per cent. laid on the dividends by Mr. Pitt, but further, of increasing that tax to TEN per cent.

In a report of a speech to the electors of Tamworth, by the late First Lord of the Treasury, we read, “The interest of the National Debt must be provided for, and the only way to lighten the burden of that debt is, ‘to increase the number of shoulders which might bear it.’” Now, as the shoulders of the manufacturers and agriculturists, who have hitherto borne so much of the burden, are rapidly diminishing in power to support it, and as the shoulders of the fundholders have been, until the recently imposed income-tax, the only shoulders in the empire that, during the last thirty-four years, have not borne any portion whatever of the burden ; by what means can the number be increased, but by laying a portion on these fundholders ? Further, have ministers the right to discriminate what species of property or income will bear taxation with the least injury to the general interests ? If they have, I inquire, Is there any species of property which ought so justly to be taxed, and which would so much conduce to the general interests of the nation, as that property which, from being untaxed, is contributing five millions sterling annually to increase the commercial interests and political power of rival

nations; to enrich their manufacturers, to build their ships of war, and fit out their armies;—to the deterioration of the commercial interests, and to the enfeebling the political power of Great Britain?

Indeed, the principle of the right to reduce the interest of the funds has been acknowledged and repeatedly practised; for the interest of the five and four per cents. and of the capital invested by the savings' banks, have all been reduced; but from the manner in which these transfers have been made, at the suggestion and for the profit of the stock speculators, and especially from the **DENT BEING OF FLUCTUATING VALUE**, instead of being made a fixed value, these transfers have increased the debt instead of diminishing it.

As a proof how successful our Lords of the Treasury are in mystifying the public accounts, so that very few persons seem to comprehend the financial proceedings of Parliament, we frequently hear, not only every person whose income is more or less derived from the public funds exclaim with indignation at the mention of lowering the interest, but numerous public writers and members of parliament have strenuously asserted that it would be the greatest injustice and a breach of national honour to touch the funded property—that it would be nothing *short of downright robbery* to lessen the interest. Even the right hon. the Chancellor of the Exchequer, in his exposé of the Budget for 1848, Feb. 28th, stated:—"I may just observe that it is notorious to every body that there are various items of the annual expenditure which will not bear deduction, and which are rendered **PERMANENT** by Act of Parliament, and **OVER WHICH THE HOUSE CANNOT EXERCISE ANY CONTROL!** IT CANNOT, **FOR EXAMPLE, EXERCISE ANY CONTROL OVER THE AMOUNT OF PUBLIC DEBT!!!**"—(*hear, hear*)—"taking the whole amount of interest payable for the public debt, it will amount to £28,530,000; this is a large item, which clearly cannot be touched by the Government!!!"

I would take leave to inquire of all those gentlemen—To what period of the annals of our parliamentary proceedings their researches have extended? If they have made due research, they seem again totally to have forgotten what is the established law of the realm, and the practice of parliament. Do they not know that, in the year 1822, by the advice of the then Chancellor of the Exchequer, the honourable House did judge themselves competent to exercise such control, and did touch this "large item," to the effect of reducing no less than £149,627,825 of the **FIVE** per cent. stock to **FOUR** per cent.; thus deducting *twenty* per cent. from the income of all the fundholders of that stock? At that period there were dissentients to the amount of £2,794,318, who were paid off at par; that is, at £100 sterling for the £100 stock; though that stock was in the market previously worth £125. The remaining five per cent. stock was converted into £157,109,218 stock at four per cent., with a bonus of five per cent.; or giving £105 new four per cents. for £100 five per cent. old

stock. Now, although the rate of interest was lowered, still the debt was increased by £7,481,393 to £157,109,218.

Again, in 1826, the four per cents. to the amount of £70,105,403 (after deducting six millions for the dissentients, who were paid off at par; that is, £100 sterling for £100 stock) were converted into three-and-a-half per cent. stock without any bonus to the creditors or increase of the debt.

Again, in 1830, the four per cents., to the amount of £151,021,728, were reduced to three-and-a-half per cent. stock; and, by way of an additional hagatelle for the Stock Exchange gentlemen to sport with, the amount of £474,374 were RE-TRANSFERRED to a new FIVE per cent. stock, the subscribers receiving £70 five cent. stock for every £100 four per cent. stock; thus this portion of stock, which had been reduced in 1822, from five to four per cent., with a bonus of only £5, was now REFORMED into a new five per cent., with the reduction or loss of £30 in each £100 to the individual proprietors.

Extract from the official notice at the Bank.—"A new stock to be created, bearing an interest at the rate of three-and-a-half per cent. per annum. All holders of NEW four per cents., who shall not signify their dissent, shall have for every £100 new four per cent. annuities, £100 in the new three-and-a-half per cent. annuities. The said new three-and-a-half per cent. not to be liable to redemption until 5th January, 1840. Books to be opened at the Bank of England from Monday, April 5th, to Saturday, April 24, for receiving signatures of persons dissenting, persons not signifying their dissent within this period to be deemed to have assented. Persons not signifying their dissent within the period specified to have the option, during one month from the day limited, to subscribe to a NEW five per cent. stock, receiving £70 of such stock for every £100 of the NEW four per cents. held by them. Persons signifying their dissent to be paid off in such order, at such periods, and IN SUCH MANNER AS PARLIAMENT MAY DIRECT." The dissentients were only to the amount of £2,649,366.

In 1834, the amount of £10,622,911 four per cents. were again reduced to three-and-a-half, *without any dissentients*.

Again, in March, 1844, the three-and-a-half per cents. were reduced to three-and-a-quarter. The then Chancellor of the Exchequer stated, that—"The time was favourable, because there was a larger amount of capital seeking employment than at any former period. The stock he proposed to deal with was £250,000,000, of four different species, created at different times, and of different amounts. With three of these stocks PARLIAMENT HAD AN UNFETTERED RIGHT OF INTERFERENCE, either to pay off the principal, or to reduce the interest; but with the fourth part, created in 1818, amounting to £10,000,000, there were two conditions coupled; namely, that six months' notice should be given of any intention to pay off, and that it should be paid off in sums of

£500,000 at a time. In any plan to be adopted, every principle of honour, as well as of expediency, required that the interests of individuals should be considered as well as those of the State; and no present saving to the country should be effected by laying a burden on posterity. In time of war we were justified in throwing a portion of the burden on those who were to succeed us; but such a principle was not honest nor honourable in a time of peace. He, therefore, proposed that every holder of three-and-a-half per cents. should receive an equal assignment of three-and-a-quarter—the interest of which to be three-and-a-quarter for ten years to come, Oct. 1854; after that period, to be reduced to three per cent., and to be guaranteed from all further reduction for TWENTY YEARS, till 1874. The annual saving will immediately be £625,000; and, in 1854, will amount to £1,250,000.” The resolution was carried UNANIMOUSLY. Here are abundance of precedents for the present Chancellor, which the hon. member seems to have forgotten. This arrangement, until 1854, with the holders of the £10,000,000, will not interfere with my previous proposition; because, undoubtedly, the holders will *voluntarily* purchase into the proposed four per cent.

Recapitulation.

Years.			Interest.	Saving.
		£	£	£
1822	Old 5 per cent.	149,627,825	7,481,391	} 1,197,022
„	New 4 ditto .	157,109,218	6,284,216	
1826	Old 4 ditto .	70,105,403	2,804,216	} 350,597
„	New 3½ ditto .	70,105,403	2,453,619	
1830	Old 4 ditto .	151,021,728	6,040,869	} 755,110
„	New 3½ ditto .	150,344,051	5,285,759	
„	5 per cent. .	474,374		
1834	Old 4 ditto .	10,622,911	424,916	} 53,116
„	New 3½ ditto .	10,622,911	371,800	
1844	Old 3½ ditto .	250,000,000	8,750,000	} 625,000
„	New 3¼ ditto .	250,000,000	8,125,000	
Total Annual Saving-			.	£2,980,845

SAVINGS' BANKS.—The Commissioners paid to the Trustees of Savings' Banks, from 1817 to 1828, at the rate of 3*d.* per £100 per day; i. e., £4. 11*s.* 2*d.* per £100 per annum; and, from 1828, only £3. 16*s.* per annum.

(To be continued.)

REDUCTION OF TAXATION.

No. 8,

OF A SERIES OF LETTERS—PRICE THREEPENCE EACH—

ADDRESSED TO THE LANDOWNERS AND FARMERS; THE MANUFACTURERS AND TRADESMEN; THE MERCHANTS AND SHIP-OWNERS; AND TO ALL OTHER **TAX-PAYERS** OF THE UNITED KINGDOM——COMPRISING THE DEVELOPMENT

OF A PRACTICABLE AND EQUITABLE MEANS
OF PAYING OFF THE

NATIONAL DEBT;

THE MOST EFFECTIVE AND ONLY REMEDY FOR THE
PRESENT EVILS OF THE COUNTRY, AND TO PREVENT
THE RECURRENCE OF SIMILAR EVILS FOR THE FUTURE.

By Britannicus.

LONDON: PUBLISHED BY FRED. PITMAN, PHONETIC DEPOT, 1, QUEEN'S
HEAD PASSAGE, PATERNOSTER ROW; AND SOLD BY ALL OTHER BOOK-
SELLERS.

LETTER VIII.

55. Fallacy of the opinion—that the National Debt is a safeguard against revolution. Contrary fully proved by reference to history.—56. Defective education of the youth of the richer classes, to prepare them for performing their duties as Members of the two Houses of Parliament in this great Commercial Nation.—57. Declaration of the Chancellor of the Exchequer, “that Indirect Taxation has reached its utmost limit of productiveness.”—58. Necessity of taking timely warning from the example of the fall of numerous dynasties and some ancient commercial states, not to neglect “the handwriting on the wall.”—59. Numerous means of advantageously employing any money released from the funds.—60. General benefits to be derived by the foregoing plans, if carried into execution.—Conclusion.

To the Landowners and Farmers; the Manufacturers and Tradesmen; the Merchants and Shipowners; and to all other TAX PAYERS of the United Kingdom.

GENTLEMEN,

THUS, it is true that the annual saving of interest amounted to £2,980,845, but we see by the transactions of 1822 that the debt was increased by more than seven millions, for which we are now answerable; so that no real good has accrued to the nation, and very great injustice was committed towards the holders of the five and four per cent. stocks, because the holders of the three per cent. stock were left untouched. The successive Lords of the Treasury either committed a great injustice, or a very gross miscalculation—injustice, because at different epochs they reduced the income of, or laid a partial tax upon, the individual holders of the FIVE and FOUR per cent. stock, since the trifling saving of interest at such distant periods of 1822, 1826, 1834, and 1844 had no effect upon the reduction of taxation and the fall in the price of provisions, for the slight savings were speedily engulphed in some new expenditure; whilst the holders of the larger amount of nearly £500,000,000 in the three per cents. were not only left untaxed, but the value of their stock was augmented full thirty per cent.—and why? Because it was chiefly ladies, country gentlemen, retired tradesmen, and trustees of minors, who preferred the *sound* of a greater interest of four or five per cent. for their capital, without sufficiently calculating that if they were to receive five per cent. they must pay £100 sterling, whilst the purchasers of three per cent. would pay only £60 sterling; therefore, the more experienced, calculating speculators seldom or never invest their money in any but the three per cents., except with the prospect, or at least the hopes, of running up the price of the stocks and selling to a profit; and, unfortunately, it is these gentlemen only whom the Chancellors generally believe can give them any sound advice concerning financial measures.

If Government had reduced the interest equally on the whole of the £800,000,000, and then have reduced the taxation in proportion, it would have been PERFECTLY JUST, because every fundholder would have received an equivalent by purchasing the same amount of necessaries, comforts, and even luxuries, at a rate more reduced than the amount of the reduction of his interest in the funds. As, for example, if a new tax is imposed on any article to the amount of 4s. in the pound, the dealers must increase the price to 5s. or 6s. in the pound, in order to recompense them for the greater outlay of capital, particularly if the article has to go through several hands—the manufacturer, the wholesale merchant, and the retail dealer,—the price is increased in proportion: the same takes

place in any reduction of duty, and although the 4s. may not immediately be reduced to 6s., the competition of sellers in the market will soon effect it.

Acquitting, however, the Lords of the Treasury of any wilful injustice, it must be allowed that they committed a gross miscalculation. They seem to have proceeded on the idea that the proprietors of three, four, and five per cent. stock had lent equal sums of money to the nation for each £100 stock; and, therefore, it was unjust to the nation that they should be paid those various rates of interest for the same nominal amount of stock, seemingly forgetting that they had all lent nearly equal sums of money; and, previously to the partial reductions, were receiving an equal or proportionate amount of interest, because the proprietors of the three per cents. had only advanced £60 for £100; but the proprietors of the four per cents. had lent £80; and those of five per cents. had given £100 sterling for the same NOMINAL AMOUNT of stock. And, as I believe, in every instance £100 sterling was given for £100 stock in the five per cents.; by the Government first reducing the five to four per cent., and subsequently to three-and-a-half and three-and-a-quarter, and refunding a portion at five per cent., when they allowed only £70 in the *new fives* for £100 of the *new fours*, they thus really deprived every fundholder of that stock of no less than £30 in every £100 sterling; in addition to the loss of £25 of capital, according to the previous market price, in each £100 stock included in the former conversion. Disguise it as they please by any special pleading, this is the real fact; whilst, at the same time, by leaving the holders of the THREE per cents. unscathed, and by their other financial measures, they actually raised the property in the three per cents. from £60 to £90. Was this KEEPING FAITH with the fundholders?

It may be replied, in palliation, that it was all done with the consent of the proprietors of the stock; therefore, there was no injustice, *volenti non fit injuria*. But they had really no option, for how, in a moment, could the sum of £150,000,000 be invested to any profit? and they were only allowed three weeks to decide; and the few who did dissent, and received their £100, were glad, soon after, to re-invest the same in the new stock; since it would not fructify in their iron chests; but, in the interim, they had the pleasure of “doing what they liked with their own.” The dissentients were at first paid by the Bank of England, who received exchequer bills for the amount, which subsequently were occasionally converted into three per cent. stock, sometimes *sub silentio*; of one example of which Mr. Hume complained when bringing forward his motion concerning the savings’ banks:—“Many honourable members were not aware that the Commissioners of the Savings’ Banks could add to the funded debt without coming to that house; yet such was done in October, 1836, when *four millions* were added to the funded debt, and that

House knew nothing of the matter. 'This was effected under the 50th clause of the Act, which was little known.'

What the Government ought to have done, in 1816-17, in justice to both the fundholders and the country, was, to have opened a new loan for the amount of the whole debt at five per cent.; this would have fixed the various stocks at the average prices at which the money had been lent, and which was then the market price of the day—£60 for the three per cents., £80 for the four per cents., and £100 for the five per cents.—and have at once reduced the **NOMINAL** debt of £800,000,000 to £480,000,000 **REAL** debt, and would have allowed them to reduce the interest subsequently, at an equal ratio upon the whole stock, without any partiality, favour, or affection; but this would not have suited the speculators, who are daily making their harvests by the complexity and mystery which envelops all our funding transactions. Truly, ye genuine children of honest John Bull, ye do pay most enormously, and suffer most severely, for your ignorance in these matters, and for your confiding simplicity in the financial wisdom of your successive Lords of the Treasury and Chancellors of the Exchequer.

It is perfectly impossible that this debt can ever be paid off, without it be made, as I have proposed, a *fixed tangible debt*, for there is at present no impediment to the three per cents. rising to the price of £200 for £100 nominal stock, and therefore the real debt mounting from £800,000,000 to £1,600,000,000. Thus, the more the nation is taxed to pay off the debt, on the present principle, the deeper and deeper must we sink in debt.

That the National Debt is the great influencing cause of all our commercial and agricultural distress may seem strange doctrine to the general declaimers in favour of the funding system, who boast of the immense wealth of England, and exclaim: "We can take no great harm, nor find much trouble to raise the taxes; look at the immense capital of the fundholders alone, and their income of nearly £30,000,000." In reply, I have frequently inquired, "But where is all this immense capital of which you boast? is it in land, or houses, or shipping, or where?" "Why, in the Bank of England; is it not?"—Not one shilling remains: it has all been dissipated in powder and shot; in the shattering to pieces and sinking in the ocean some hundreds of magnificent vessels; in the burning of numerous towns and villages—desolating whole districts of country; in giving to one man in a thousand—wealth, and honour, and title; and to the other nine hundred and ninety-nine—wounds, and mangled limbs, and premature death; causing widows, and orphans, and accumulated miseries.

Let the politician and the historian describe in the most eloquent and spirit-stirring language; let the poet and painter gild and beautify these events with their most brilliant colouring—such are the real facts. Yet,

strange as it may appear, many, otherwise persons of good sense, have remarked: "But do you mean to say that the money paid into the funds is neither in the Bank nor in the National Treasury? Since all the capital of £800,000,000 is thus dissipated, whence arises the immense income of the fundholders?" This income has a very magnificent appearance to the lodging-house and hotel keepers, and the tradesmen of the continent, from whose voices, "*My lor' Anglais*" so frequently resounds; but it resembles the apples on the shores of the Dead Sea, brilliant and beautiful in the exterior, but bitter dust and rottenness within. These splendid incomes are all derived from the extra toil and severe deprivation of all the labouring classes in the kingdom, not only of the comforts, but of a portion of the necessaries of life. It is difficult for all those persons who confine their visits to the handsome streets and squares of our chief towns, to the splendid docks and rail-road stations, to the magnificent baronial castles and deer-parks, to the delightful country mansions and ornamented villas, to understand this; but, let them enter the crowded courts, narrow lanes, and dark alleys; ascend the garrets, and descend into the cellars, of any of our manufacturing, or any other large towns, where honest industry and squalid poverty, uniting in the same persons, are lying on an earthen floor, with but scanty covering to protect them from the inclemency of the seasons. Then may they judge whence the splendid income of the fundholders is drawn. I mean not the slightest imputation on the fundholders themselves; merely as fundholders, they are not to blame. Not only our legislators, but the whole country, are to blame for not exerting themselves to amend such a state of affairs. Even in the country cottages, the happy rubicund face, the contented air, and stalwart limbs, are rapidly disappearing among the overworked and half-fed peasantry of the kingdom. If the farmer expects his horses to plough an acre of land, or the hunter wishes to be borne gallantly through a two-hours' chase, they do not stint their steeds to a half-measure of corn; neither can their labourers perform their labour with profit to their employers, without they also receive their full measure of food. They may pass their twelve hours at their work, but they have neither the spirit nor the physical force to perform it efficiently. I do not expect that, by any legislative measures, poverty and misery can be banished from the land; but we ought all to contribute, as much as is in our power, to a better state of things. For, if some means be not adopted in order to better the condition of the labouring classes, the fundholders in a few years will look in vain for either interest or principal.

TO THE FUNDHOLDERS.—Since many persons who possess funded property are not sufficiently acquainted with the working of the stocks, it may be necessary to add a few remarks more particularly addressed to

the fundholders. I hope that you, Ladies and Gentlemen, will not imagine that in my previous arguments there is any thing whatever which can, in the least, militate against your TRUE AND PERMANENT interests. You must consider that, as your property is of so fluctuating a value, a war with France or America, or a stock-jobber's speculation, might reduce your £100 *stock* to an average of £60 *sterling*; when, in the event of a war, you would be further obliged to pay a tax of at least ten per cent. to support the expenses of the war. Therefore my proposition to fix it permanently at £100, after its conversion into four per cents., would produce a great benefit to yourselves, for the three per cents. which, in 1792, had reached £97, fell regularly and rapidly, as soon as the war commenced, week after week, down to £47 in the year 1797, and never again rose to £70 during the war. In pages 108, and following, I have drawn your attention to some ruinous changes during the peace; and you may see that, as the funds are at present regulated, you may invest £1000 *sterling* as high as £96, and, after a few months, find your capital, if you require to sell out, reduced to £500 or £600 *sterling*. But, if my proposition be carried into effect, your £1000 would ever remain of the same fixed value, whether in peace or war; and, should any circumstances render money scarce and provisions dear, for whatever further sums you might invest in the stocks, your interest thereon would be raised according to the dearness of provisions; and, in all probability, if my proposition be carried into effect, wars may be prevented, in consequence of Great Britain standing in too imposing a situation for other powers to be tempted to insult or quarrel with us. Again, if subsequently your interest should be reduced, that reduced income would still purchase an equal amount of the necessaries, as well as the luxuries of life, as your previous greater annual income, because the taxes, as well as the prices of provisions, clothing, &c., would be reduced in proportion.

Again, yourselves and all your family are not likely to remain for ever merely fundholders; and, in whatever way your money be employed, whether in lands, rail-roads, shipping, commerce, or other securities, for every pound which you would lose by a reduction of interest on your funded property, you would undoubtedly gain two from your other property, because it must become so much more valuable. And when you leave any legacies to relatives, you would easily understand in what condition you place them. I will state a case, to prove the hardship and occasional injustice of the present arrangement.

A gentleman left by will his property in the funds, to the amount of £22,000, three per cent. stock, to his eldest son, directing him to pay legacies of £2000 *sterling* to each of his six younger brothers and sisters; now, as the stock had, some time previously to the will being made, averaged more than £90, he supposed that he should leave to his eldest son £7000; but as, unfortunately, to his eldest son was left the POUNDS

STOCK, and to the younger children the POUNDS STERLING, at the time of the division of the property, political occurrences had caused the three per cents. to fall to £60; therefore, as the £22,000 stock only sold for £13,200 sterling, the eldest son received for his share only £1200, instead of £6000 or £7000, as it was evident his father had intended. By the change in the arrangement of the funds which I have proposed, such an error could not be committed, because £1000 STOCK and £1000 STERLING would always be of the same value to a shilling. I mention this, out of many somewhat similar instances, because I well know there are many other persons that have money in the funds, who would be liable to commit the same error, and whose knowledge of the stocks is confined to understanding that they have a certain amount of hundreds or thousands in the funds, for which they receive half-yearly, from their bankers, a certain amount of interest.

There can be little doubt but that, with the aid of the enlightened and active spirit of our present population, the admirable inventions and newly-discovered mechanical and chemical powers brought into use by our men of science—by the establishment of rail-roads, and of steam power applied to navigation, rendering much land hitherto too disadvantageously situated to be worth the cultivation, now rich in remunerating profit—by the rapidly increasing population and wealth of our colonies in America, Australia, Cape of Good Hope, and the East Indies—the whole of this capital, when returned into the hands of the individual fundholders, might be most advantageously employed by them in commerce, agriculture, mining, and manufactures. In addition to the frequent sales of land and houses, there are numerous shares to be purchased in the various canals, rail-roads, docks, banks, assurance companies, mines, &c., offering numerous eligible means of employing money by ladies and other persons wishing to live at ease, and retired from the daily bustle which shops, counting-houses, warehouses, and factories demand.

Your own intelligent minds, Ladies and Gentlemen, when once directed to the subject, may suggest to you many other advantages which must result from this proposed reduction of the National Debt. Among others, ample funds would soon be found for the better cultivation and general improvement of the 15,000,000 acres of land now lying waste in this country; and which, without the burden of taxation caused by the National Debt, would amply repay the cultivators and employ and feed many millions more of population; but, at present, the expenses of cultivation are so enormous that they would swallow up, not only all the profit, but a portion of the capital required to be employed. Also for the better employment and reward of the starving population of Ireland, who, in their own country, appear to the casual observer almost as idle as the lazzaroni of Naples; because, after they have cut and stacked their turf for winter, dug up and housed their potatoes, they have little else to

employ them for several months than to keep themselves, if possible, sheltered from the inclemencies of the weather, and to brood over their miseries. But, if we observe these same men in this country, we find them among the most industrious and hard-working of our population, performing the most laborious and almost disgusting employments for comparatively little recompense.

The empire would soon become so flourishing in consequence of this change, that the revenue upon those objects of taxation which would least impede the general commerce would, no doubt, soon furnish a considerable surplus above the calculated interest required, and which might be applied annually, in the further reduction either of taxation or of the debt, by which all those persons who are merely fundholders, and who should remain in the kingdom, would receive a benefit fully equal to the reduction in their dividends; and those fundholders who are also merchants, manufacturers, agriculturists, or belonging to any of the minor divisions under these heads, would receive very ample, even double equivalents, by the reduction of taxation on all the other sources of their income, by the consequent reduction of prices on all the provisions they would require, as well as a better recompense for either their mercantile, manufacturing, or agricultural occupations, and for any mental or physical labour.

But, in order that the operation may be generally beneficial, the amount must be thrown back into the market gradually, because all sudden and great changes among any numerous body of the population are prejudicial to the general prosperity; but this amount of money brought into the aid of commerce and agriculture gradually, would operate like the gentle rains of heaven in the spring, producing beauty and fertility, and gradually advancing the land to the enjoyment of the delicious fruits of summer, and the abundance of a long-protracted autumn.

A very erroneous assertion has frequently been made, "That the public debt is a safeguard against revolution." On the contrary, I think we may gather from all past history, that the greatest safeguard against political tumult is the presenting a plentiful hoard to every honest, industrious person in the nation. What, it may be asked, has generally been the inciting cause of revolutions, and the effective force of political agitators, from the earliest history of the Greeks and Romans to the present hour? What gave rise to, and established the power of, the tribunes of the people over the senators?—A hungry population! What produced the massacres at Paris and Versailles?—The long-continued and yearly increasing suffering of the mass of the people from excessive taxation

and dear read, till *bread* or *blood* became the popular cry. What causes so many tumults in Ireland?—Is it not because, during several months of the year, the great mass of the agricultural population have little to do but to brood and gloom over their miseries, and to plot mischief? Political agitators have never been able to excite the population of our large towns, but during a time when there were numbers of unemployed workmen. Their great power has arisen from silent manufactories, insolvent tradesmen, and a famishing population. So well did the revolutionists of Paris understand this, that to produce the events of 1830, they persuaded their manufacturing friends to shut up their establishments a few days previously, in order that there might be a number of discontented workmen idle in the streets, to employ as “cats’ paws” and ruthless agents of their political ambition.

What, again, was the first act of the plotters of the disturbances in this country a few years since? Was it not to turn out all the workmen from the pits and factories, that there might be at least the appearance of immense bodies of rioters to overawe the masters and the authorities? If, on that occasion, the working classes had been in the receipt of good remunerating wages, all the hired agitators who could have been sent among them by any party whatever would have failed in exciting so widespread an outbreak; but their task was comparatively easy, for the minds they worked upon were already rendered susceptible and irritated by suffering. Men do not give ear to the preachers of discontent and riot, and hazard the loss of comforts they feel that they safely possess. It is in the miserable and famishing tenants of houses destitute of food, fuel, and furniture, that the elements of such insurrections are to be found.

Other causes of the national distress will undoubtedly be frequently detailed, and different remedies prescribed; but, from having long considered the subject, made numerous inquiries after facts, and diligently examined various propositions, the more I examined and the more I reflected, so the more firmly have I become convinced, that all the other remedies which I have seen or heard proposed, must prove ineffectual without you commence by **REDUCING YOUR NATIONAL EXPENDITURE**: and thus, by purifying the original source—the fountain-head of the evil—the minor irrigations which branch off from the principal stream of corruption will gradually, in a great measure, purify themselves. The effects of machinery contending with human labour—of competition, tending to reduce profits and wages—of the corn laws and class legislation, raising the price of the necessaries of life, have all been amply discussed.

The benefit to be derived from spade labour, home colonies, and a more general cultivation of waste land, depends greatly upon the reduction of numerous taxes. The expense of cultivating inferior land is so enormous as to swallow up, not only all the profits, but, frequently, a portion of the

capital which must be employed ; arising neither from the *direct* taxation on the land, nor from the alleged high rents ; but from the thousand minor links of taxation, all augmenting the weight of the chain which impedes exertion—for the less valuable and unproductive the land, so much the more expense of capital and labour does it require to make it productive.

In regard to the relief to be hoped for from greatly increased emigration, if continued upon the present defective system, it may be of benefit to a few hundred capitalists, and a few thousand labourers and citizens, but totally ineffective as a national remedy. Although a considerable stream of population is already pouring forth towards South Australia and the Polynesian islands, still, without the General Taxation be greatly reduced, we have much to fear that this emigration, instead of affording national relief, will become an additional burthen for ships of war and the military to protect ; and governors, and judges, and bishops to keep them in order and enlighten them. The parent country will have to pay the outfit ; and other nations will enjoy the benefit. The manufacturers and merchants of Great Britain will have to drain the swamps and clear away the jungles ; and the manufacturers and merchants of those countries, who are not hurried with sixty millions of taxation upon their industry, will reap the harvest.

You may have the trouble and expense of sending forth your Protestant missionaries to civilize the savages of those numerous islands ; and your hardy sons, at much danger, to prepare the soil, raise up towns, and create a commerce ; and then some other nation may come, as France has already done to your oldest, most faithful, and most Christianized Ally, among those islands, and with the thunder of her cannon, and the flash of her musketry, forced in her Popish priesthood, contrary to the established laws and wishes of the islanders—levied a heavy fine, which the British Protestant merchants were, in the sequel, forced to pay—and seized upon those commercial advantages which your previous enterprise, Christian charities, and subsequent industrious exertions ought to have insured solely to yourselves. But Great Britain was silent, or but feebly raised her voice ; because her mouth was closed by a padlock of nearly SIXTY MILLIONS of taxation. Even in your own established colonies, your own children, as soon as they can run alone, will go to the cheapest markets to supply their wants. A late return of ships in the Bay of Islands gave—of English, 23 ; French, 21 ; American, 56. And a letter from the Cape of Good Hope, in the *South American Commercial Advertiser*, stated, that “ Foreign manufactures are rapidly superseding the British, although the duty on British manufactures is only three per cent. *ad valorem*, and on foreign manufactures sixteen per cent. ; still, the importation of foreign goods has greatly increased during the last few years, and the merchants of Frankfort, and of other parts of Germany, are

busily engaged in shipping manufactures for this colony." It has been well said, that our colonial possessions are the very bulwarks of the greatness and glory of our country—the title-deeds by which we hold our rank, as first and chief among the nations; but they will soon cease to be so, if the policy of the Lords of the Treasury forces Great Britain to pay all the civil and military expenses, in order to keep them under our nominal rule, and allow other nations to reap the commercial profits.

The remedy for many of the evils complained of must commence in a very much improved system of education—not merely for the poor, but for the rich. Whilst so much else has been progressing in the kingdom, the education of those young men who, by their hereditary rank and station in society, are expected to take their seats in either house of legislature, has been comparatively standing still. Lord John Russell, in his book on the "Constitution of England," when speaking of public education, remarks:—"That if the young men, born in the upper classes of society, be still required to devote so much time to the knowledge of the dead languages, it is absolutely necessary that such books as Blackstone's Commentaries, and some other useful English works, should be translated into Latin, and become class-books; and that their English education should enable them, at least, to do a sum in the Rule of Three, and to understand that James the First was not the son of Queen Elizabeth."

From the noble lord's intimacy with the gentlemen of the upper classes, we may receive this as evidence that the general school training of those gentlemen, who may be called upon to vote away annually so many millions of the public money, raised from the excessive labour of all the industrious classes, leaves them ignorant of arithmetical calculations, and of some of the most important facts in the history of their native land, because their time is so much wasted in acquiring a minute knowledge of all the *delicacies* of heathen mythology; in learning to recite gracefully, and fully to comprehend the *profound morality* of Terence; in scanning Greek Iambics and Latin Hexameters, and culling nonsense verses out of their Gradus. After having quitted their juvenile academies and high schools, their course at Oxford and Cambridge is nearly as exclusive, and totally unsuited to instruct them in that extensive field of knowledge which the legislators of this commercial empire ought to acquire. Surely, something better is required, even for their own preservation, if they hope to retain the rank and estates which have been gained by the feats of arms, by the legal knowledge, or commercial sagacity and enterprise of their ancestors.

✱ In conclusion, Gentlemen, let me endeavour to impress upon your minds that the warning contained in the information communicated at the

Manchester meeting, in the reports of every recent traveller, and the continuous intelligence in the foreign journals, all confirming the rapid advance of manufactures on the Continent and in the United States, are not to be neglected. You must not forget the superior advantageous position in which the people of that country are placed. They are the producers of the raw material, the manufacture of which has for so many years greatly enriched this country; and are not only generally free from national debt, and, consequently, from any taxation whatever to pay the interest upon it (although they have their private state debts, similar to our own county expenditure); but, with very moderate duties upon the import of some foreign productions, chiefly for the protection and encouragement of their own rising manufactures, they have frequently a surplus of income, applicable to the improvement of their internal communication, the advancement of national education, and other public benefits. The commercial embarrassments a few years since, which were chiefly caused by over-speculation in land, by their unskilfulness in conducting banking operations, by the deterioration of our own commerce, by the high price of the British funds, and the general low remuneration of capital, whether in commerce or at interest, rendering money of comparatively little value in this country, and inducing our capitalists to run the chance of higher interest in various American hazardous speculations—are but temporary evils in that country, and will not operate against their future successful rivalship of our manufactures.

Let us not then deceive ourselves because we HAD arrived at so magnificent an extension of commerce; let us recollect that throughout all history we have found, that those cities and nations who imagined themselves to have arrived at such a state of perfection, of national wealth, population, and power, that they might confidently hope to enjoy public prosperity for a long continuance of ages, were then the nearest their decline—like the fruit that has arrived at its most luscious maturity, is soonest about to decay. Our own nation, upon whose dominions the sun never sets, might be compared, a few years since, to the Roman empire under Augustus; with the whole world at peace, the Christian religion beginning to dawn, gradually to extend among and render civilized the most distant barbarians; an empire extending over almost the whole of the then known world; but how speedily after did her decline commence—a decline the more rapid and disastrous from the very extent of her empire; her first reverses caused by the barbarian tribes. And what is the present condition of numerous other ancient cities and empires which have successively fallen—chiefly from unjust, expensive, and disastrous wars—the expenses of the governments exceeding their revenues—from the too great luxury of the rich, and the too great destitution of the poor, destroying all feeling of patriotism in their breasts¹—thus rendering the empire feeble and defenceless.¹ These nations

successively neglected the warning held out by their predecessors, each believing that similar evils would not afflict itself.

What is now the condition of those ancient states which, like our own, arose to grandeur, opulence, and power by successful commerce? Of Tyre and Sidon; of Thebes, with its gorgeous temples and hundred brazen gates; of Babylon and Palmyra; the city of Solomon—the Tadmor of the desert—the emporium of the commerce of the fairest portion of the world—that entire city of palaces, so magnificent that recent travellers have been at a loss to discover the relics of a single edifice which seemed intended for the dwelling of the poor. Yet what now remains of all her splendour? A mass of gorgeous ruin for the hyena and the wild animals of the desert to make their lair in. What does that Tyre which, more than any other ancient city, resembled our London, now present?—that city of which it is said in sacred history, “many isles were the merchandise of thy hand, thou didst enrich the kings of the earth with the multitude of thy riches, and of thy merchandise;” to add to whose external splendour and commercial grandeur all the nations of the earth bore their tribute—“in whose fairs were amassed the gold of Ophir—the precious stones of India—the spices of Arahia—the shawls of Cashmere—the silks of Persia—and the emeralds, the purple, and the hroidered works of Syria.” Yet what now remains of all this wealth and splendour?—A hank of sand, and a barren rock for fishers to dry their nets on! All that we know of these cities and nations is—that ONCE THEY WERE!

Then let the eye view, and the mind reflect upon, the numerous silent looms, foundries, mines, and dockyards for building; the squalid features and harrowing details of misery that exist in so many of our cities, towns, and villages! The increase of 405,408 paupers during 1848; the annual increase of crime, during the last thirty-four years, from 7898 in 1815, to 30,349 in 1848, in England alone; and then, let us reflect—Has England nought to fear? The history of the last fourteen years exhibits that there is too much cause to fear the results, when, notwithstanding the last few months have exhibited symptoms of a partially reviving commerce, still, in almost every part of the kingdom, particularly in those towns which, some years since, presented the liveliest picture of industry, wealth, and profitable commerce, we now so frequently witness the condition of the general population greatly deteriorated, and still deteriorating; trade declining; wages reduced; bankruptcy among numerous manufacturers, bankers, and other capitalists; the capitals of the agriculturists so reduced that, generally speaking, they can no longer afford the same expense of labour to improve their lands, however profitable it might subsequently prove; and, finally, periodical epochs of starvation among the operatives of the towns and the labourers of the country parishes.

In regard to the agricultural population, the *Quarterly Review*, even

previous to the abolition of the Corn Laws, remarked:—"That an all but universal change for the worse has taken place, in the condition and habits of this most important class, is a lamentable and admitted fact. That honesty, sobriety, industry, and contentment have disappeared almost entirely among a body of men once remarkable for their virtues, is a truth which no person conversant with the present state of the country parishes will venture to contradict. The wealth of the country, the productive capacity of the soil, have been constantly and steadily increasing; while the condition of those who till our fields, of those who, in one sense, may be said to create the wealth, is daily retrograding."

At a great county meeting at Gloucester, June 9th, 1849, Mr. Bowley, in seconding the resolution, "That distress prevails extensively among all classes connected with agriculture in this country at the present time," remarked: "He could bear testimony to the truth of the resolution, as regarded the condition of the labouring poor. He had presided for many years over the Board of Guardians of the Cirencester Union, comprising forty-two parishes, and he had never known greater distress among the labouring classes than during the last three months (a period of the year when, usually, farm labourers are fully employed). There were abundance of labourers willing to work for 6s. or 7s. a week; but, though they went from place to place seeking work, the farmers could not employ them, owing to the low price of produce, and for want of capital. Many of the tradespeople of Gloucester had also signed the requisition for the meeting, because they found that, in consequence of the distress among the farmers, their usual sales had fallen off one-half." Therefore they would not be able to pay the same taxation as previously.

I may now request my readers seriously to reflect upon the financial state of the nation during the last twelve years of comparatively profound peace—for, although the national troops have been engaged in the wars in India, their expences are paid by the East India Company—and then to consider maturely what must be the result, when we find such lamentably convincing proofs of the decline of the empire in a continually deficient revenue, and in the expenditure annually exceeding the income, as contained in the following statement of our successive ministers. In the year 1840, the Chancellor of the Exchequer declared, that, having struggled with an increasing deficiency of the revenue below the expenditure during the preceding three years, Government had at length aroused their energies; and therefore, in order to avoid such a catastrophe for the future, he proposed to increase the assessed taxes TEN per cent.; the customs and excise, with the exception of spirits, corn, and the post-horse duty, FIVE per cent.; to lay an additional duty of 4d. per gallon on all spirits; and he expected that, by a MORE STRICT COLLECTION of the assessed taxes, he should also obtain £150,000. The amount would then stand—

Addition to Assessed Taxes	£276,000
New Survey for ditto	150,000
Customs and Excise	1,426,000
Spirits	485,000
Total	£2,337,000

But, during this year of promise, so many additional houses had become untenanted, in consequence of two or three families, each formerly inhabiting a taxable house, now crowding together in some damp cellar, or cold garret; so many of the industrious population, from want of employment, rendered unable to purchase those articles of comfort, and almost of necessity, which fall under the custom and excise duties; and commerce in general was so deteriorated, that the right hon. gentleman was forced to declare, that NOTWITHSTANDING THE GREATER RIGOUR exercised in the collection of the taxes, instead of his expected augmentation of £2,237,000, he was sorry to state a FURTHER DEFICIENCY of revenue below expenditure for the year of £1,851,997; or a total of more than £4,000,000 below his anticipation. In addition to this, as the same circumstances went on augmenting the evil, we find the deficiency for 1842 no less than £2,149,885. We further find, in the parliamentary returns, that the

Total taxation, in 1817, was	£50,865,157
Reduced, in 1832, to	46,877,497
And again augmented, in 1842, to	54,771,430

or no less than EIGHT MILLIONS per annum, by the votes of a REFORMED PARLIAMENT.

The reformed ministry being thus at the end of their resources, and having thrown up the task in despair, Sir Robert Peel, with the most ardent desire, and confident hopes to effect some good, boldly undertook the task. In his speech, developing his financial plans, he first stated the real deficiency for the preceding years, as he found them on taking office: *viz.*, in the years respectively ending 5th April, he found the deficiency to be, for the years

1838	.	.	£1,428,534	1841	.	.	£1,851,997
1839	.	.	1,430,325	1842	.	.	2,334,559
1840	.	.	1,457,223	1843	.	.	2,570,000
Making, in six years, an aggregate of							£11,072,638

The new Premier subsequently stated: "I have now discarded the notion of meeting our financial difficulties by the *wretched expedient* of fresh loans; I have attempted to carry your conviction with me, that, for the purpose of revenue, WE HAVE ARRIVED AT THE LIMITS OF

TAXATION upon articles of consumption ; but it is possible to resort to another mode of relieving ourselves from those difficulties. I now make an earnest appeal to the possessors of property for the purpose of repairing the mighty evil of a deficient revenue." (*general cheering*). "I propose that, for a **LIMITED TIME**, the income of the country shall bear a charge of £2. 18s. 4d. per cent., or 7d. in the pound ; which will be sufficient not only to supply the present deficiency, but enable us to make those great commercial reforms which will afford to us the hope of reviving the trade, and of improving the state of our manufactures, and which will soon react upon every interest in the country. No man can feel a more intimate conviction than I do, that whatever may be your financial difficulties, you must so adopt and adjust your measures, as not to bear upon the comforts of the labouring classes ;" which sentiment, responding to the feelings of the honourable House, was loudly cheered. But, on the same subject, a writer in the *Morning Post* of Nov. 8th, of the same year, says :—"Funding is, in its result, taxing the poor to pay the interest of the funded debt. I know that it is possible so to impose the taxes, as that they shall not fall upon the poor *directly* ; but it is not possible so to impose them that they shall not *mainly* fall upon the poor *indirectly*. Can you so tax a rich man that he cannot throw the burthen off his shoulders ? Those who cannot do so are the poor—they cannot live upon what you cannot tax, and they cannot economise by way of compensation." Most fashionable people live up to their income ; therefore, how are the proceeds of a new tax on income or property, in the first instance, to be provided for by them ? They discharge a few valets, or other servants, who only run in each other's way ; sell some of their horses, which they seldom or never ride ; discharge a few labourers, who have been previously employed in keeping their gardens or shrubberies clean ; and thus throw an extra quantum of human labour into the market, which lowers the rate of wages, and serves to fill the union houses, the infirmaries, and the prisons. Perhaps they and the ladies of their families abridge themselves of some portion of their expenditure with the tailor and milliner ; but all this, instead of being a privation of any real pleasure, frequently contributes to their comfort, by lessening their daily cares.

But when the Lords of the Treasury demand more honey, it is the extra labour of the working bees—the farmers, manufacturers, and all dependent upon them, which must produce it. The unemployed rich, who merely loiter on their sofas, saunter over their lawns, or through their parks, or idle their time at the clubs, cannot possibly produce any, nor can they be said really to pay any tax. Among this class no person will include such men as the late Mr. Coke, of Norfolk (*Earl of Leicester*), Mr. Curwen, Lord Western, and many similar men, whose science and praiseworthy example caused many quarters of corn to grow where none grew before ;—nor such men as the Earl of Rosse, and num-

bers of our eminent statesmen and other public characters, who labour more assiduously and more efficiently with their minds, and even with their bodies, for the general welfare of the nation, than the men who throw the shuttle, heave the anchor, or drive the plough. But, without labour of some kind, no wealth can be produced. For what is capital? Is it not the produce of the extra labour of men of science and industry, beyond what is required for their individual subsistence? For—previously to the exertion of the science of the architect, and the manual labour of the mason and bricklayer and carpenter—of what value were the stones and bricks and timber, that now compose the immense wealth in the streets and squares of London? Then, ye legislators, if ye wish to continue to enjoy the fruits of their labours, ye must not simply *so lay on your taxes* that they may not immediately press upon the industrious classes, but *you must take them off* as far as possible. Ye must not starve the ox that treadeth out the corn, or ye will have no bread yourselves.

For what was the REAL, though somewhat remote, effect of this property tax? In the first instance, it was paid by the landowners and capitalists; but soon, many, even of the nobility and wealthy proprietors, reduced the wages of the labourers who were working in their fields, and parks, and gardens, from 14s. to 12s.; subsequently, to 10s.: and to many of them it is intimated that, after harvest, they will be further reduced to 8s. per week. At present, these labourers are as honest and industrious a class of men as any in the kingdom; but is it probable that they can long remain so? Many of them have large families, clamorous for food—frequently six or eight dependent on the labour of one man—who, after paying 4s. per week, at the lowest computation, for rent and firing, finds he has only 6s., and many only 4s., to provide food and clothing for his family; or, about ONE PENNY per day, for the subsistence of each individual!!! And this in once “merry England;” and, to my own knowledge, in one of the most productive counties in the kingdom. Can we wonder that there are so many vagrant beggars, and so great an increase of crime? Who can contemplate, without fearful forebodings, the official returns, exhibiting that the increase in the number of paupers, during last year, was no less than 405,408—and that the convictions for crime have increased from 7898 in 1815, to 30,349 in 1848—for England alone; and, including Scotland and Ireland, the total amount is 73,789: and all these must be supported in unproductive idleness, at more than double the expense of an equal number of persons employed in honest, productive industry.

On May 6th, the Premier informed us, “There had been a great complaint, respecting the DEPRESSION of trade, for the last three years and more. It was impossible to say that any one of those three years was prosperous. He should be sorry to express any very sanguine expectations of the recovery of trade; for, he was bound to say, that the spring

had disappointed his expectations, and had contradicted his hopes of a restoration of trade."

By the returns of the subsequent October quarter, we find that there was a frightful decrease in the receipts of the excise department, of no less than £434,831; which, as was observed in the *Times*, "tells a more fearful tale of the sufferings and privations brought upon the labouring classes than any fact or statement which has been previously made public." Another journal remarked: "How many little comforts are included in this deficiency of nearly half a million! How many millions-worth of fire-side enjoyments, social smiles, and glees and jokes, and kind words, and compliments, and little hospitalities—that cheer and invigorate the mind that loves to be useful and agreeable! How many opportunities have been sacrificed of drawing closer, and rendering dearer and more delighting, the bonds of relationship and friendship, all crushed, assassinated, obliterated from the book of life, by this awful deficit of half a million!" These privations have been, probably, more acutely felt by the class of persons who, from their situation in life, are forced to preserve what is termed "a respectable appearance;" and, without which, many could not retain certain situations that produce their income, nor pursue their trade or profession with advantage.

Sir Robert Peel having again resigned the helm to Lord John Russell, and similarly adverse circumstances continuing—of a deficient revenue, and an increasing expenditure,—the Premier endeavoured to raise about **THREE MILLIONS** more per annum, by increasing the property and income tax from *three to five* per cent.; and, although the general voice of the nation forced him to abandon the proposition, it was intimated by the Chancellor of the Exchequer, that the increased taxation would only be deferred until Government could devise some means of raising the required amount upon objects less exposed to general opposition.

Surely, Gentlemen, ye landowners, farmers, manufacturers, merchants, and all other tax-payers, it is time for you to believe that this **NATIONAL DEBT TAXATION**, which causes so many evils, is as much your own **PRIVATE DEBT** as any money you owe to your butcher, baker, or other tradesman. You must take warning from the dreadful evils caused by a similar gradual increase of taxation, and consequent irritation among the mass of the population—not only in France, but in numerous other states, of which history informs us. Without some remedy he applied, there is great reason to dread, "The might that slumbers in a peasant's arm." To avert the domestic and national calamities that must inevitably occur, without some remedy be found out, and immediately and actively administered, new and continued efforts will long be required; but the greatest and most effective at present—indeed, it may be said, the only preventative is—the **GRADUAL REDUCTION OF EXPENDITURE, AND EVENTUAL ANNIHILATION OF OUR NATIONAL DEBT**, and

its attendant enormous and oppressive annual taxation of **THIRTY MILLIONS**.

And what patriotic, benevolent, and Christian heart would not desire the long continuance in strength and prosperity, for many an age, of this country²—which is looked up to as the beacon to light the people of other nations in their course after the attainment of civil and religious liberty; and, if they run upon a shoal, then it presents a haven of safe retreat and refuge from persecution, imprisonment, and death; which has sheltered both princes and people by thousands, of various nations in succession, from France and Holland; Spain and Portugal; from Italy and Poland; and the benevolence and religious fervour of whose inhabitants have sent forth their fleets and their millions of gold, and their Christian missionaries, to redeem from slavery the suffering African, and to spread the blessings of the Gospel—peace and goodwill—among the most distant and ferocious savages, from pole to pole.

Gentlemen,—I have thus brought before your view what I have believed to be a sufficient number of facts to draw your attention to the importance of the subject; to justify the calculations I have made, and the conclusions that I have drawn; to prove that our National Debt, and the unwise and, to the nation, ruinous regulations of the public stocks, are really the primary and chief causes of all our commercial and agricultural distresses; and I hope you may be induced to take the plan I have proposed into your serious consideration. I pray you to reflect upon what must be the result with any individual merchant, whose liabilities are yearly increasing, and whose profit or revenue is annually diminishing. Joint-stock companies, corporations, or even nations, must be liable to the same results. Then reflect upon the misery and accumulation of horrors that must result from a national bankruptcy. It has been repeatedly urged in Parliament, by the highest official authorities, that the will of the people must be generally expressed before any public measure of improvement can be effected. Then, Gentlemen, if, upon mature consideration, you should believe that there is **TRUTH, UTILITY, and, above all, JUSTICE**, in my propositions, it remains with yourselves to procure its execution. But you must be active, persevering, and unanimous. You must not allow any dispute or contention, about minor abstract or theoretical reforms, to divert you from the pursuit of this one **GRAND AND SUBSTANTIAL OBJECT**; for, if this be once obtained, all the minor remedies will naturally come into operation.

The National Debt, under every administration, is the Hot-bed and Nursery of all the Corruptions in the State, as well as of the weeds that enpoison our commerce. If your first petitions be unattended with suc-

cess, you must then follow Lord Melbourne's advice, and continue the agitation, until such a voice be raised that may reverberate through every town and village of the empire—through the whole length and breadth of the land; from Norfolk on the east to St. David's on the west; from John o' Groat's House to the Land's End—a voice so clear, so explicit, so determined, so powerful, that no single representative, no minister, will dare to resist or neglect. Then, if by your exertions the people of this great empire can maintain life cheaply; that every industrious operative and labourer in the kingdom can enjoy a plentiful and wholesome meal to strengthen him for his work; and that not only the necessaries but the comforts of life may be so reduced in price, that a great portion of the 60,000 fundholders and other annuitants and pensioners whom the dearness of provisions and the excessive taxation have induced to reside in a foreign land, where meat, tea, sugar, wine, fruit, and numerous other articles, are so much cheaper than in Great Britain, be attracted back to their native land, to spend their FIVE or SIX MILLIONS in the support of our own manufacturers and labourers;—then, with our immense capital, with all the natural advantages which our mines of coal, iron, salt, copper, tin, and other metals afford; with the advantages of our insular situation and our rivers; with the added artificial advantages of easy transport and communication which our canals, rail-roads, harbours, and steam-vessels have added; with a climate that renders exertion not only necessary, but a pleasure; with the industry, ingenuity, enterprise, and indomitable perseverance, which for centuries have distinguished the general population of this island;—aided by that high reputation for integrity, which our merchants have raised for themselves;—with the skill, hardihood, and enterprise of our mariners;—then may our natural and manufactured productions go forth into all the markets of the world, fearless of competition and regardless of foreign tariffs and prohibitions—for

"Nought can make us rue,
If England to herself do rest but true."

Your sincere well wisher,

Britannicus.

FINIS.

